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Governance and Funding of Montana's Vo-Tech Centers: Options for Change

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Joint Interim Subcommittee on Vo-Techs and Job Training

November 1986



Montana Legislative Council

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GOVERNANCE AND FUNDING OF MONTANA'S
VO-TECH CENTERS: OPTIONS FOR CHANGE

A REPORT TO THE 50TH LEGISLATURE

JOINT INTERIM SUBCOMMITTEE ON VO-TECHS/JOB TRAINING

November 1986

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HOUSE JOINT RESOLUTION NO. 52

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF STATE GOVERNANCE AND FINANCING OF MONTANA'S POSTSECONDARY VOCATIONAL-TECHNICAL CENTERS.

WHEREAS, the five postsecondary vocational-technical centers are recognized as vital components of the Montana education system; and

WHEREAS, the governance of the centers is currently fragmented among the office of the Superintendent of Public Instruction, the Legislature, and local high school boards of trustees; and

WHEREAS, financing for the centers is in increasing jeopardy because federal funding is diminishing, because the Legislature is reluctant to increase funding when there is no unified method of accountability, and because the local school boards are having difficulty promoting local property tax funding for both the centers and for elementary and secondary education; and

WHEREAS, a statewide system of governance and funding has the potential for creating a more efficient postsecondary vocational-technical education system for addressing the funding crisis and meeting the demand for well-trained workers who can contribute to Montana's economic development; and

WHEREAS, prior to and during the 1985 regular legislative session, the many interested parties spent significant time and effort developing and considering options for state governance and funding for the postsecondary vocational-technical centers, but the Legislature could not achieve a consensus on this complex issue.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That an appropriate interim committee be assigned to study:

- (1) various governance structures for vocational-technical education;
- (2) the funding needs and sources for postsecondary vocational-technical centers;
- (3) curriculum evaluation to meet changing educational needs; and
- (4) concerns arising from state governance, such as employee rights, state assumption of facilities, and program coordination and development.

BE IT FURTHER RESOLVED, that the committee report the findings of the study to the 50th Legislature and, if necessary, draft legislation to implement its recommendations.

Approved April 23, 1985.

SUMMARY OF RECOMMENDATIONS

The Joint Interim Subcommittee on Vo-techs/Job Training recommends that the 50th Legislature:

1. Continue and intensify general support for postsecondary vocational-technical education in Montana; and
2. Enact LC 164, a bill to transfer the governance of the five vo-tech centers from the Office of Public Instruction to the Board of Regents of Higher Education. The main provisions of the draft legislation include:
 - a. an effective date of July 1, 1987, for the transfer of general governance duties;
 - b. allowing vo-tech employees to remain employees of the various school districts until July 1, 1989;
 - c. retaining a local contribution to vo-tech funding by increasing the mandatory levy for each county with a vo-tech center from 1-1/2 mills to 3 mills;
 - d. allowing employees of the vo-techs to retain certain rights and benefits upon becoming employees of the Board of Regents;
 - e. allowing the school district boards of trustees to negotiate with the state for the sale or lease of vo-tech facilities.

INTRODUCTION TO THE STUDY RESOLUTION ISSUES

House Joint Resolution 52 directed a study of state governance and funding of Montana's five postsecondary vocational-technical centers (vo-techs). The resolution was the product of extensive, but unsuccessful, consideration of increased state control of the vo-tech system prior to and during the 1985 legislative session. Testimony received during that time and the study resolution both stressed the following assumptions as reasons for an investigation of unifying the vo-tech centers into a comprehensive state-governed and state-financed system:

- The current governance of all postsecondary vocational education is so fragmented (among the vo-tech centers, the Office of Public Instruction, local high school boards of trustees, the Board of Regents, and community colleges) as to inhibit the efficiency, goals, and potential of that educational opportunity;
- Financing for the vo-tech centers is in increasing jeopardy for the following reasons: federal funding is changing and diminishing; the Legislature is reluctant to increase funding when there is no unified method of accountability; and the local school boards are having difficulty promoting local property tax funding for both the centers and for elementary and secondary education;
- The vo-tech governance and funding structure may not be flexible or responsive enough to meet the needs of employers and potential students or to

cooperate with any economic development programs within or beyond the state; and

- State governance and funding of vo-tech centers has the potential for creating a more efficient postsecondary vocational-technical education system to address the funding crisis and to meet any demand for well-trained workers who can contribute to Montana's economic development.

As will be shown in the following portion of this report, the governance, financing, and administration of vo-tech center education has been a concern for the Montana Legislature and its agencies during the past eight years. During this concentration on improving or altering the vo-tech system, the issues raised in the study resolution have continued to surface and are, at this time, amplified by further reductions and changes in federal funding, the state's continual focus on attracting economic development, and substantial losses in state revenue that were forecast during the study process.

A HISTORY AND STATUS OF MONTANA'S VO-TECH CENTER SYSTEM

Introduction

This report section is a summary of the following background information prepared in order to begin addressing the vo-tech governance and funding issues in the adopted study plan and the study resolution:¹

- I. A Review of Legislative Involvement in Vo-tech Governance and Funding
- II. Powers and Duties of Governance Components and Other Agencies
- III. Financial Status of the Vo-tech System
- IV. Programs and Services at the Vo-tech Centers
- V. Vo-tech Student Profiles
- VI. The Role and Scope of Vo-techs in Montana's Education System

I. REVIEW OF LEGISLATIVE INVOLVEMENT IN VO-TECH
GOVERNANCE AND FUNDING

1939 to 1968...The State Board of Education, acting as the State Board for Vocational Education, designated and governed vocational training centers sponsored by various high school districts for high school and older students.²

The Superintendent of Public Instruction acted as executive officer to the Board for purposes of administering state and federal laws and regulations.

1969...Legislation strengthened state control by providing that program and budget approval for all postsecondary vocational-technical education rested with the State Board for Vocational Education and that center designation was dependent upon legislative direction. Local administration of postsecondary vocational education programs remained with appropriate local school boards or higher education governing boards. The Legislature designated the five current centers and changed the finance structure to include more direct state funding and a one-mill levy in each county with a center.³

1973...In coordination with the intent of the Constitutional Convention⁴ and the structure of the 1972 Montana Constitution, the Legislature designated control over high school and vo-tech center education to the Board of Public Education and designated control over community college and university system vocational education programs to the Board of Regents.⁵

1975...The Legislature attempted to resolve the dual governance situation by designating the umbrella board, the State Board of Education, as the State Board of Vocational Education. A committee within the State Board would administer all vocational education and hire an executive officer.⁶

The law was effective for only a few months before the Montana Supreme Court declared it an unconstitutional function of the State Board of Education.⁷

1977...A legislative attempt to place all levels of vocational education under the Board of Public Education failed and led to an interim study resolution on the question of governance of all vocational education.⁸

1978...The interim study by the Legislative Council's Subcommittee on Education concentrated on governance structures for the vo-tech centers and recommended two options, both of which placed ultimate governance of vo-techs under the Board of Regents. One model created a strictly state system and the other option was similar to the community college governance structure.⁹

1979...The Legislature debated the study options extensively, but finally placed state administration of the vo-tech centers under the Superintendent of Public Instruction, with local high school districts retaining certain duties over their vo-techs. That decision was aided by the fact that the Board of Regents had voted against an interest in vo-tech governance and the Board of Public Education had lobbied for total control or none at all. Also, local districts were determined to retain an interest in the centers. The Superintendent

was also designated as the "sole state agent" for all vocational education, as required by federal law.¹⁰

1981...The Legislature directed the Legislative Finance Committee, in HJR 46, to study and revise statutes related to vo-tech centers, including the methods of financing the centers.¹¹

1983...The Legislature adopted the Legislative Finance Committee's recommended budget formula based on a student/FTE ratio and also created a permissive school district levy to cover additional local costs. The Finance Committee was unable to present the complete statute revision because a response from OPI was unavailable prior to the session.

1984...The Legislative Audit Committee requested a performance audit of the OPI Department of Vocational Education Services and the vocational education programs at the centers and high schools. The report was complete in December 1984.¹²

In June 1984, Representative Gene Donaldson requested Legislative Council to research various governance structures and to begin preparing draft legislation on a state-controlled vo-tech system. Representative Donaldson arranged three ad hoc meetings with interested persons (vo-tech directors, school district trustees, vo-tech staff members) to receive suggestions and to establish commitment to a new system.

1985...Representative Donaldson's House Bill 18, introduced to the 1985 Legislature, provided for a new state board of postsecondary vocational education that would operate under the Board of Regents. The new board would appoint center directors, hire an executive

officer, adopt course standards, anticipate needs of business and industry, lease or buy district buildings, and perform other duties.

After an initial hearing, a subcommittee of the House Education and Cultural Resources Committee was appointed to analyze the legislation. The subcommittee spent 12 hours in work sessions with various interested persons to address concerns over employee rights, the role of the Board of Regents, effective dates of the legislation, and new funding sources.

The amended version passed from the House Education Committee made the new board effective 1½ years prior to state control of the centers to allow for negotiation of employee concerns and other transitional matters. The House passed HB 18 to the Senate without a funding mechanism, although a 2-mill statewide levy had been debated.

The Senate Education and Cultural Resources Committee approved the bill. However, objections to the concept of total state control and a lack of consensus on a funding scheme caused the legislation to be indefinitely postponed on the Senate floor.

Senator J. D. Lynch also introduced a comprehensive vo-tech governance bill, SB 172, that would have placed the centers under a state board allocated to the Board of Regents but would have allowed local districts to hire the personnel and retain ownership of the center facilities. The bill was tabled in committee. The Legislature also failed to act on the vo-tech statute revision, HB 849, that was finally submitted by the Legislative Finance Committee.

For a summary of federal involvement in vocational education in Montana and an explanation of the current requirements of the 1985 Carl D. Perkins Act which provides federal funding, see the report in reference note 1.¹³

II. POWERS AND DUTIES OF POSTSECONDARY VOCATIONAL EDUCATION
GOVERNANCE COMPONENTS AND OTHER AGENCIES

COMPONENT/AGENCY	AUTHORITY	POWERS AND DUTIES
State Board of Education	Art. X, Sec. 9, Mont. Const.; 20-2-101, MCA	Long-range planning, coordinating, evaluating policies and programs for state's educational systems
Board of Regents	Art. X, Sec. 9, Mont. Const.; 20-25-301, MCA	Supervise, coordinate, and control University System and other public education institutions assigned by law
	20-15-103, MCA	Supervision and coordination of community college districts
	20-25-107, MCA	Prohibits granting of a degree by an institution without Regents' approval of course of study
Board of Public Education	20-4, parts 1, 2, and 3; ARM 10.43.401	Establish certification standards for vocational education instructors and directors (power delegated by Superintendent)
Superintendent of Public Instruction	Art. VI, Sec. 1, Mont. Const. 20-7-301, MCA (Also 20-3-106, MCA)	Elected executive officer of the state with duties as provided by law Governing agent and executive officer of the state for vocational education; Adopt and administer policies to effect the orderly development of a system of vocational education that is adaptable to changing needs, controlled to prevent unnecessary duplication, coordinated with federal guidelines and requirements for vocational education, and funded to ensure growth and quality programming

COMPONENT/AGENCY	AUTHORITY	POWERS AND DUTIES
Superintendent of Public Instruction (cont.)	20-7-301, MCA (cont.)	<p>Adopt policies regarding:</p> <ul style="list-style-type: none"> - a state plan for development of vocational education - standards for courses and programs - minimum requirements for certificates to students - review process for establishing and deleting programs - instructor qualifications - vo-tech director qualifications - receiving and relaying operations and budget requests to legislature - basis for apportionment of federal money - evaluation of vocational education which allows for consideration of current and projected manpower needs and job opportunities - establishment of tuition and fees - allowable costs for rental of buildings - guidelines for authority delegated to local districts
	20-7-302.1, MCA	<p>Appoint state director of vocational education who shall:</p> <ul style="list-style-type: none"> - administer the superintendent's policies - provide consultation to districts

COMPONENT/AGENCY	AUTHORITY	POWERS AND DUTIES
Superintendent of Public Instruction (cont.)	20-7-302.1, MCA (cont.)	<ul style="list-style-type: none"> - meet and discuss policy changes with local districts and center - establish uniform fiscal, student, staff, and program systems - provide for program and service evaluation
	20-7-323, MCA	Sole authority for approval of vo-tech programs and budgets
	20-7-327, MCA	Approve funding for vo-tech facility maintenance
	20-7-332, MCA; ARM 10.43.202	Determine student tuition and its permissible uses
	20-7-333, MCA; ARM 10.43.201	Prescribe basis for and uses of student fees for equipment and materials
	39-6-103, MCA	Responsibility for related and supplemental instruction for Department of Labor apprenticeship programs
	ARM 10.41.101 to 10.41.131	General rules for vocational education
	ARM 10.41.102	Act as sole state agent to disburse federal and state vocational funds and provide leadership for the state vocational education system
	ARM 10.43.301	Uniform governance and administration of centers vested in Superintendent
		- State and local district administrators meet twice a year to review policies

COMPONENT/AGENCY	AUTHORITY	POWERS AND DUTIES
Superintendent of Public Instruction (cont.)	ARM 10.43.301 (cont.)	- State director must meet six times a year with center directors to solidify system
Local school districts	20-7-312, MCA; ARM 10.43.302	Subject to state laws and policies of superintendent, district board of trustees shall: <ul style="list-style-type: none"> - employ center director, administrative personnel, and faculty members - recommend and submit budgets - recommend proposals for center programs and student services - manage buildings May be required to provide up to 50% of initial construction funds Adopt budget in excess of appropriated amount and submit proposal to district voters Have policy for center administration Initial approval and submission of building construction and maintenance plans to Superintendent
Legislature	20-7-311, MCA 20-7-324, MCA	Designates vo-tech centers Provides primary financing of centers through appropriations

COMPONENT/AGENCY	AUTHORITY	POWERS AND DUTIES
Legislature (cont.)	20-7-326, MCA	Shall base appropriation for salaries, benefits, operation, and equipment on previous appropriation
	20-7-327, MCA	May appropriate funds for facility maintenance
County commissioners	20-7-324, MCA	Must levy 1½ mills on county property as funding source
County treasurer	20-7-324(2), MCA	Must credit mill levy to center fund with state treasurer
State treasurer	20-7-322, MCA	Custodian of all state and federal vocational education moneys
	20-7-325, MCA	Account for receipt and expenditure of all center funds established according to Department of Administration procedures
Montana Council on Vocational Education	ARM 10.41.107; ARM 10.41.131	State director for vocational education must seek advice and consent of Council pertaining to evaluation and improvement of vocational education
	1984 Carl D. Perkins Vocational Education Act	Consult and advise sole state agent on development of required state plan
		Report recommendations to Governor, sole state agent, State Job Training Coordinating Council, U.S. Secretary of Education, public
Local Advisory Councils	ARM 10.41.118	Representatives from management, labor, and community to consult and advise institutions with vocational education programs

COMPONENT/AGENCY	AUTHORITY	POWERS AND DUTIES
Program Advisory Committees	ARM 10.41.119	Representatives from management and labor consult with administration and teachers on program matters
Governor	1984 Carl D. Perkins Vocational Education Act	Appoint Montana Advisory Council on Vocational Education (formerly done by Superintendent)
Legislative Audit Committee	5-13-304, MCA; 5-13-308, MCA 37 A.G. Op. 79 (1977)	Perform audits on vo-techs because state agency has program and budget control of centers and primary funding is legislative appropriation
Department of Administration	20-7-325, MCA	Procedures for expenditure of all center funds in state treasury
	2-18-601	State ledve benefit laws apply to clerical and custodial employees
	ARM 10.43.302	Approve center construction and facility alterations
Community College Districts	20-7-303, MCA	May establish vocational program in compliance with Superintendent's standards

ARM = Administrative Rules of Montana
MCA = Montana Code Annotated

III. FINANCIAL STATUS OF THE VO-TECH SYSTEM

The various revenue sources for the vo-techs include student tuition, county millage, federal vocational education funds, interest from the education trust fund of the coal severance tax, the state general fund, and an optional local voted millage. Table 1 illustrates the history of these funding sources for fiscal years 1980 to 1987. (The chart does not include the 5% reduction in general fund support for FY 87 approved by the Legislature in the June 1986 Special Session.)

All sources but the voted millage are appropriated by the Legislature. For the purpose of showing changes in the funding picture, the voted millage is presented as actual expenditures from that possible source rather than the amount originally requested by the school district in voted millage. The funding collected by a district through a voted levy request is available for use by the local vo-tech center, but center directors must seek budget approval for access to the fund, and thus collections may not match with actual expenditures.

The following provides additional information on each legislatively appropriated funding source, with special emphasis on legislative rationale for the current biennium appropriation.¹⁴

Tuition

The Legislature established the tuition revenue estimate at a level which would require each full-time equivalent student to pay \$564 for three quarters in fiscal year (FY) 1986 and \$593 in FY 1987. The

Superintendent has the authority to set tuition rates, and therefore has increased tuition from \$180 a quarter for FY 1985 to \$188 for each quarter in the current school year. Tuition per quarter in the 1980-81 school year was \$80 and has therefore increased by 135% to this year. Tuition and fees have grown to 17% of the appropriated funding in FY 1987 from 10.5% in FY 1981.

County Millage

Section 20-7-324, MCA, requires the county commissioners in each county in which a vo-tech center is located to levy 1-1/2 mills for the maintenance and support of the center. Language in HB 500, Laws of 1985, authorizes the Superintendent to transfer any collection of county millage revenue that exceeds the appropriated millage amount for a center to those centers whose counties may experience an under-collection of anticipated millage. HB 500 also requires a general fund reversion of any millage over the appropriated amount to prevent additional revenue from providing budget increases. The estimated millage represents a 3.5% increase over the previous biennium. As Table 1 indicates, county millage has remained approximately 10% of total appropriated amount for FY 1980 to FY 1987.

Federal Funds

The amount of federal funding, available through the new Carl D. Perkins Act, decreased by 31.7% from the 1985 biennium. The Legislature replaced the reduced funding with general funds of \$376,990 in FY 1986 and \$371,853 in FY 1987. In the event that more federal funding becomes available, HB 500 provides that for

each additional federal dollar, 50¢ of general fund must revert. The actual center expenditures for FY 86 in Table 3 indicate that the centers did not choose to spend all the federal funding available. The federal dollars must be used for "new and innovative" programs only.

Education Trust Interest

Section 90-6-211, MCA, was amended by the 1983 Legislature to authorize the use of 10% of the interest from the coal tax-funded education trust fund, which was formerly reinvested into the trust, for operating costs incurred by the vo-techs and adult basic education programs. The Legislature funded the Adult Basic Education program at its FY 1984 level plus inflation and allocated the remaining interest funds to the vo-tech centers. The amount represents a 41.3% increase over the FY 1985 biennium, which was the initial year for this source.

General Fund

When all other available revenue sources have been estimated, the general fund portion is calculated. Pay plan increases for center employees, allowed by HB 500 and Chapter 740, Laws of 1985, are included in the general fund appropriation. Even though the general fund dollar amounts have increased steadily since FY 1980, that source's portion of the total appropriated amount has dropped from 60.29% in FY 1980 to 53.49% in FY 1987.

Table 2 shows the student enrollment history for each center for FY 1980 to 1987 in terms of full-time

equivalent (FTE) students used for appropriations calculations. Helena has maintained the highest enrollment and Butte's enrollment has increased the most for the period.

Table 3 shows the actual center expenditures for FY 86 and the percent that each funding source is of the total funds expended. The centers used significantly less in general funds and federal funds than was appropriated. (See Table 1.) The voted total amount used by all the centers increased by 27% from FY 85.

TABLE 1

Historical Funding Sources and Appropriations
Montana Postsecondary Vocational-Technical Centers
Fiscal Years 1980 - 1987

Funding Source	-----Fiscal 1980----- Approp. Total % of Total	-----Fiscal 1981----- Approp. Total % of Total	-----Fiscal 1982----- Approp. Total % of Total	-----Fiscal 1983----- Approp. Total % of Total
General Fund	\$3,593,896	\$3,797,131	\$4,371,877	\$5,250,455
Federal Funds	1,113,328	1,113,328	1,200,000	843,682
County Millage	635,280	801,510	765,101	804,733
Tuition and Fees	629,234	629,234	782,723	1,174,078
Total	\$5,986,955	\$6,341,203	\$7,119,701	\$8,072,948
Voted Levy Used ¹	\$ 63,022	\$ 71,210	\$ 406,220	\$ 543,094
Total Available	\$6,049,977	\$6,412,413	\$7,525,921	\$8,616,042
Voted % of Available	1%	1%	5.4%	6.3%
Funding Source	-----Fiscal 1984----- Approp. Total % of Total	-----Fiscal 1985----- Approp. Total % of Total	-----Fiscal 1986----- Approp. Total % of Total	-----Fiscal 1987----- Approp. Total % of Total
General Fund	\$4,563,171	\$4,556,694	\$4,794,331 ²	\$4,831,278 ²
Federal Funds	1,178,657	1,178,657	802,337	807,474
County Millage	823,751	842,220	855,233	868,314
Tuition and Fees	1,310,760	1,503,900	1,469,220	1,544,765
Educ. Trust Interest	616,180	724,730	895,000	1,000,000
Total	\$8,492,519	\$8,806,201	\$8,816,121	\$9,051,831
Voted Levy Used ¹	\$ 847,544	\$1,187,109		
Total Available	\$9,340,063	\$9,993,310		
Voted % of Available	9.1%	11.9%		

Sources: Office of the Legislative Fiscal Analyst (Appropriations); Office of Public Instruction (Voted Millage)

¹Voted millage funds are not appropriated by the Legislature

²Includes pay plan allocations of \$107,000 for FY 1986 and \$342,000 for FY 1987 as authorized by HB 500 and Ch. 740, L. 1985

TABLE 2

Student FTE Enrollment History
Montana Postsecondary Vocational-Technical Centers
Fiscal Years 1980 - 1987

	-----Actual-----					-----Budgeted-----		
	<u>FY 1980</u>	<u>FY 1981</u>	<u>FY 1982</u>	<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>
Billings	416.4	460.5	527.1	504.7	485.0	497.0	511.0	511.0
Butte	285.0	311.7	322.5	341.9	342.0	403.0	415.0	415.0
Great Falls	370.6	434.8	487.8	471.5	449.0	408.0	423.0	423.0
Helena	587.2	662.6	677.4	656.0	663.0	665.0	660.0	660.0
Missoula	<u>494.5</u>	<u>531.2</u>	<u>547.6</u>	<u>560.3</u>	<u>607.0</u>	<u>575.0</u>	<u>596.0</u>	<u>596.0</u>
Total FTE*	2153.7	2400.8	2562.4	2534.4	2546.0	2548.0	2605.0	2605.0
	=====	=====	=====	=====	=====	=====	=====	=====

* 1 Full Time Equivalent (FTE) Student = 1,000 Instructor contact hours per year.
Calculation does not reflect actual number of students served.

Source: Office of the Legislative Fiscal Analyst

TABLE 3

FY 86 EXPENDITURES OF THE VOCATIONAL-TECHNICAL CENTERS
AND PERCENTAGES OF EXPENDITURES

Source	Billings	Butte	Great Falls	Helena	Missoula	Total
General Fund	\$ 841,568 (44.6%)	\$ 802,389 (50.9%)	\$ 806,823 (48.1%)	\$ 1,330,262 (56.1%)	\$ 907,687 (34.9%)	\$ 4,640,674 (45.9%)
Tuition & Fees	292,769 (15.5%)	234,187 (14.9%)	252,022 (15.1%)	380,187 (16.0%)	337,510 (13.0%)	1,496,675 (14.8%)
County Millage	320,811 (17.0%)	76,579 (4.9%)	144,445 (8.6%)	96,684 (4.1%)	216,714 (8.3%)	903,288 (8.9%)
Education Trust	180,790 (9.6%)	141,410 (9.0%)	151,255 (9.0%)	218,380 (9.2%)	203,165 (7.8%)	895,000 (8.8%)
Federal Vo-Ed	23,036 (1.2%)	68,662 (4.4%)	117,216 (7.0%)	55,096 (2.3%)	325,807 (12.5%)	589,270 (5.8%)
Voted Mill Levy	227,088 (12.0%)	253,054 (16.1%)	206,821 (12.3%)	292,322 (12.3%)	610,143 (23.5%)	1,589,423 (15.7%)
Total Funds	\$ 1,886,062 (100.0%)	\$ 1,576,281 (100.0%)	\$ 1,678,582 (100.0%)	\$ 2,372,931 (100.0%)	\$ 2,600,479 (100.0%)	\$ 10,114,335 (100.0%)

Source: Office of the Legislative Fiscal Analyst, November 1986. Percentages for individual centers supplied by Legislative Council.

IV. PROGRAMS AND SERVICES AT THE VO-TECH CENTERS

The programs available at the vo-techs can be categorized into the occupational areas presented in Table 4: agriculture, distributive (management, merchandising), health, home economics, office, and trade and technical.¹⁵ Table 4 indicates which vo-techs offer these various programs for the 1985-1986 school year and how many quarters of course work are necessary for completion and certification in each program. The table also illustrates such program offerings at the three community colleges and at Northern Montana College and whether certificates or degrees are offered upon completion at those institutions.

Services to students at the centers include counseling, financial aid assistance, testing, basic skill improvement, and job placement activities. According to ARM 10.41.121, each vo-tech must have at least one qualified vocational guidance counselor and must provide occupational information and job placement services.

Students who satisfactorily complete an approved program are eligible for a completion/competency certificate. Students must have "C" grades in all required courses of a program to earn a certificate. Course work or program completion is not transferable as college credit at Montana institutions of higher education.

The teaching faculty and the directors of the centers must hold teaching certificates that meet the minimum qualifications as determined by the Board of Public

Education's certification standards. This is in accordance with the statutory provision in 20-4-201(1), MCA, that the trustees of any school district may employ as a teacher only a person who holds a valid teaching certificate, and with 20-7-301, MCA, which allows the Superintendent to establish instructor and director qualifications. The Class 4 vocational certificate acknowledges work experience, apprenticeship training, or completion of approved vocational-technical programs, especially for certification of trade and industrial, technical, and health instructors. The vast majority of vo-tech instructors do, however, have at least a bachelors degree in their teaching area.¹⁶

TABLE 4

D = associate or
other degree

No. = length in
quarters

GENERAL AND RELATED

Related instructional links in English, mathematics, reading, vocabulary, spelling, and study skills.

*Diesel mechanics incorporated in these programs at Helena.

TABLE 4
1985-86 Postsecondary Vocational Education Offerings in Montana

C = certificate
D = associate or other degree
No. = length in quarters

CIP Code		Billings Voc Tech Center	Butte Voc Tech Center	Cheyenne Voc Tech Center	Helena Voc Tech Center	Missoula Voc Tech Center	Great Falls Voc Tech Center	Glendive Voc Tech Center	Liberty Voc Tech Center	Thermal Voc Tech Center	Three Forks Voc Tech Center	Wolf Lake Voc Tech Center	Yellowstone Voc Tech Center	Bozeman Voc Tech Center	Butte Voc Tech Center	Chandler Voc Tech Center	Glendive Voc Tech Center	Liberty Voc Tech Center	Thermal Voc Tech Center	Three Forks Voc Tech Center	Wolf Lake Voc Tech Center	Yellowstone Voc Tech Center	Bozeman Voc Tech Center
AGRICULTURE																							
01.0100	Agricultural Business									CD3-6													D6
01.0201	Agricultural Mechanics	C6								C3													D6
01.0502	Agricultural Sales & Service																						D6
01.0201	Agri-Diesel Mechanics (*)						C6																
01.0104	Farm & Ranch																		C3				D6
03.0501	Forestry Technology								C6					D6									
02.0208	Livestock Technology									C3													
DISTRIBUTIVE																							
07.0603	Business Management									C3-4		D6											
08.0102	Fashion Merchandising									C3													
06.1401	Mkt-Management	C4			C6																		D6
08.0705	Retail Merchandising									C3													
ENVIRONMENTAL CONTROL TECHNOLOGIES																							
15.0506	Water Quality Technology																						D6
HEALTH																							
17.0699	Registered Nurse																				D7		D7
17.0101	Dental Assistant					C4																	
17.0404	Home Health Aide					C1																	
17.0401	Human Services												C3		D6								
17.0605	Practical Nurse	C4	C4	C4	C4	C4																	
17.0602	Nurse Assistant (Attendant, Orderly, Aide)	C1			C1																		
17.0210	Respiratory Therapy Technology				C4					C4													
17.0211	Surgical Technology									C3													
HOME ECONOMICS																							
20.0403	Dinner/First Cook	C3								C3													
20.0406	Fast Foods	C4																					
20.0401	Food Production Management					C6				C6													
20.0401	Manager/Kitchen Supervisor	C6																					
OFFICE																							
07.0101	Accounting/Bookkeeping	C4	C5	C5	C4	C4																	
07.0603	Business Administration											D6	D6	D6	D6								
07.0301	Business Data Processing					C6															D6		
07.0702	Clerk/Bookkeeper	C3																					
07.0702	Clerk/Stenographer	C3																			C3		
07.0702	Clerk/Typist	C3			C4	C3	C3	C3	C3												C3		
07.0305	Computer Operator/Programmer									C6													
07.0301	Computer Technology																						D6
07.0302	Data Entry/Computer Operator		C4		C3-4					C4													
07.0303	Data Entry Operator (Specialist)		C2-4		C3					C3													
07.0707	Dental Receptionist					C4																	
07.0702	General Office Clerk	C3				C3																	
07.0698	Information Processing		C4							C4													
07.0699	Legal Typist/Transcriptionist		C4																				
07.0707	Medical Receptionist									C3													

V. VO-TECH STUDENT PROFILES

	Billings	Butte	Great Falls	Helena	Missoula
<u>Student Enrollment</u> ¹					
1983-84	749	315	1,849	1,208	873
1984-85	756	348	1,842	1,335	853
Fall-85	441	487	558	1,051	595
% Male 1983-84	63%	52%	24%	56%	41%
1984-85	55%	51%	23%	52%	40%
% Female 1983-84	37%	48%	76%	44%	59%
1984-85	45%	49%	77%	48%	60%
<u>Average Age</u>					
1983-84	25		29	28	25
1984-85	26	28	30	30	26
Fall-85			29	29	
<u>Academic Background</u>					
1984-85					
high school	354 ²	328	608	1,269	
some college	63	43	82	140	
college degree	8	11	73	106	
no high school/GED	16	72	51	66	
<u>Residence</u>					
center county 83-84	57%	71%	70%	62%	57%
84-85	64%	74%	69%	65%	59%
outside county 83-84	42%	29%	30%	37%	40%
84-85	35%	26%	31%	34%	41%
out-of-state 83-84	1%			1%	3%
84-85	1%			1%	
<u>Financial Aid</u> ³					
<u>Disbursed</u>					
1983-84	\$502,791	\$520,985	\$453,484	\$950,680	\$757,155
1984-85	713,295	713,460	526,306	1,092,115	933,120

System Averages, 1984-85: Age = 28 years
 % Male = 44%
 % Female = 56%
 Residence, county center = 66%
 Residence, outside county = 33%
 Residence, out-of-state = 1%

Source: Center directors were requested (11-6-85) to supply above information from standardized federal or state report forms and other student profile data.

¹ Student enrollment data 1983-85 = number of students served; Fall 1985 enrollment from OPI 12th Day Report.

² Billings information from fall quarter 1985

³ Includes PELL Grants, Supplemental Education Opportunity Grants, College Work Study Program, Guaranteed Student Loans, and State Student Incentive Grants.

VI. THE ROLE AND SCOPE OF VO-TECHS

In adopting a study plan, the Subcommittee specifically requested an investigation of the role and scope of the vo-tech centers within the Montana education system and a discussion of the role and scope of other postsecondary institutions offering vocational education. There are no specific constitutional or statutory references to the role and scope of the vo-techs, but an investigation into general education governance and the role and scope of other institutions can help formulate some assumptions about public policy intent for the vo-tech system.

Prior to the vocational education governance change in 1979, a constitutional and statutory structure was in place that mandated a coordinated effort at the state board level for designing the role and scope of all institutions offering vocational education. The Board of Public Education and the Board of Regents were to meet as the State Board of Education to plan, coordinate, and evaluate policies and programs for the state's educational systems. As was noted in the 1974 report of the Montana Commission on Postsecondary Education, it was essential that the two boards work closely and regularly together to systematically review and plan postsecondary vocational education to avoid program duplication and inefficient use of available funding.¹⁷ When the Superintendent was designated as governing agent for vocational education and the vo-techs, there were no specific provisions for coordination with the other state boards and institutions, as envisioned by the Constitution's framers.

As mandated in 20-7-301, MCA, the Superintendent has adopted and administered "policies to effect the orderly development of a system of vocational education". The statutory language enabling these policies (administrative rules) was mainly designed for execution of the Superintendent's role as "sole state agent" for proper use of federal vocational money and for his duties over the vo-tech centers. The Superintendent's involvement with vocational education at other postsecondary institutions is limited to approving programs that seek federal funds through the "state plan", which must meet with federal approval. The Board of Regents retains control over the general role and scope of vocational education for the university and community college systems.

In the absence of any legislative directive, the Superintendent alone has the power to design the role and scope of the vo-tech system but may do so within certain limitations. The Legislature can control the role and scope of the vo-tech system through the appropriation process. Another limitation is the fact that the vo-techs cannot grant degrees to students without program approval by the Board of Regents, nor can vo-tech students expect other units of higher education to accept transfer of vo-tech course work for credit. Also, the Superintendent's power to direct the scope of the vo-techs is limited by the fact that each center initiates its program choices, upon approval by the local district board of trustees. On the other hand, the local districts have very little to say about the role and scope for their centers in that final program approval rests with the Superintendent and most budget control rests with the Legislature.

The following statements on the role and scope of postsecondary institutions offering vocational education are from the Office of Public Instruction's Postsecondary Center Policy and Procedures Handbook:

The postsecondary vocational-technical centers should have the primary function of offering educational and training programs necessary for the semi-skilled, skilled, and technical trainees to advance to apprenticeship programs, job entry or re-entry or other types of gainful employment. Any vocational program should be conducted with the express authorization of the State Superintendent of Public Instruction as the state governing agency.

The community college should have the primary function of offering course work that leads to certificate and/or the associate degree or a variety of sub-professional job entry skills with the express authorization of the state governing agency.

The college and university units should have the primary function of offering programs that lead to the baccalaureate and/or higher degree in the training of teachers, counselors, directors, etc. for vocational education. Programs in associate degree and sub-professional areas should be limited to those expressly authorized by the state governing agency.

In summary, the current role and scope of the vo-tech system for offering vocational-technical education has developed within boundaries that were not set as part of a grand design for state educational systems but, rather, by boundaries that exist because of the dual governance structure for vo-techs and the prevailing powers of other postsecondary institutions.

REFERENCE NOTES

¹Montana Legislative Council, A History and Status of Montana's Postsecondary Vocational-Technical Center System, staff report to the Joint Interim Subcommittee on Vo-techs/Job Training, November 1985.

²Chapter 160, Laws of Montana, 1939.

³Chapter 250, Laws of Montana, 1969.

⁴Montana Constitutional Convention 1971-1972, Verbatim Transcript, vol. VI, pp. 2051 to 2097 and 2106 to 2111.

⁵Chapter 344, Laws of Montana, 1973.

⁶Chapter 434, Laws of Montana, 1975.

⁷Board of Public Education v. Thomas L. Judge, Governor, 167 Mont. 261, 538 P.2d 11 (1975).

⁸House Joint Resolution 100, Laws of Montana, 1977.

⁹Montana Legislative Council, Vocational Education Governance, Subcommittee on Education Report to the 46th Legislature, Helena, Montana, November 1978.

¹⁰Chapter 598, Laws of Montana, 1979.

¹¹Legislative Finance Committee, Final Report, Postsecondary Vocational Technical Center Funding and Statute Review, Helena, Montana, December 1983.

¹²Office of the Legislative Auditor, Performance Audit, Office of Public Instruction Department of Vocational Education Services, Helena, Montana, December 1984.

¹³For more complete history of federal involvement in vocational education, see Montana Legislative Council, Vocational Education Governance, Subcommittee on Education Report to the 46th Legislature, Helena, Montana, November 1978.

¹⁴Office of the Legislative Fiscal Analyst, Appropriations Report 1987 Biennium, Helena, Montana, June 1985.

¹⁵Office of Public Instruction and Commissioner of Higher Education, Montana Public Post-Secondary Vocational Technical Education 1985-1986, program brochure.

¹⁶Faculty profile information supplied in vo-tech center catalogs.

¹⁷Montana Commission on Postsecondary Education, Final Report, Helena, Montana, 1974.

ISSUES AND OPTIONS PRESENTED

At the third Subcommittee meeting, members considered the following issues and options concerning vo-tech governance and funding:

I. ISSUES:

Should the current state/local governance structure for vo-techs be changed to a more centralized system?

If vo-techs were placed under the Board of Regents in some manner, who should be the "sole state agent" for federal funding purposes?

Should the governance of all postsecondary vocational education be under one governing board or at least coordinated among governing bodies to a greater degree than it is currently?

Comments:

The current system is centralized in that the Superintendent of Public Instruction has the authority for approval of vo-tech programs and budgets, along with authority over program evaluation, director and instructor qualifications, student tuition, and guidelines for center administration. Although the school districts with vo-techs are subject to state laws and the policies of the Superintendent with regard to vo-tech administration, they are allowed to employ the center director and staff and to recommend budgets and programs. The district board may approve and submit to the electors a budget in excess of legislative appropriations.

Advantages to the present system, as expressed in testimony, include: local boards are vehicles for local program goals and interests; OPI has the opportunity to combine administrative duties for secondary and postsecondary vocational education; local taxpayers have an avenue for input; and the chain of authority is actually more simple than that of many states.

Disadvantages of present system include: numerous budget and program approval levels decrease flexibility in meeting immediate and long-term needs; employee collective bargaining and the tenure laws may hamper program and budget flexibility; financial accounting practices of the state and districts can vary widely; vo-tech directors must answer to two different authorities; and final authority for the direction and management of the vo-techs is vested in single elected official.

There is no clear mandate for the coordination, planning, and evaluation of both vo-tech education and university system vocational education at a state board level. The higher education units must comply with the rules of the sole state agent (Superintendent) for use of federal funds, but the Superintendent is not bound by statute or constitution to consult or coordinate with the systems under the Board of Regents or with the State Board of Education.

The Superintendent will continue to have duties with regard to secondary vocational education. If governance shifts to higher education, the designation of the sole state agent might be determined by the level of education which serves the most vocational students and uses the largest portion of federal funds.

Options Discussed:

1. Direct and total governance by new sub-board under the Board of Regents.
2. Governance shared by school district boards and a sub-board under the Regents, in which:
 - a. School district retains all current duties;
or
 - b. School district retains control only over facilities and employees covered by collectively bargained contract.
3. Under the OPI "Strategy for Reform" model, the Superintendent retains current authority and meets regularly with local boards that are comprised of elected and appointed members.
4. Direct governance by Board of Regents, with only local advisory board.
5. Governance shared by elected vo-tech boards (modeled after community college districts) and a state board:
 - a. Local board elected from a local district only; or
 - b. State is divided into 5 districts for election of local boards.
6. Make centers extensions of Northern Montana College or extensions of various university units.

7. Seek voter approval for new constitutional state board to govern the vo-techs.
8. Governance by new state officer (statutory or constitutional) who answers to the Board of Regents.

II. ISSUE:

If a new governance structure is chosen, should all districts be required to join the system?

Comments:

A school district could be allowed to continue operating its local vo-tech. The district could be allowed to share some of funding sources of the new vo-tech system or be required to come to the Legislature with a separate request for funds.

Options Discussed:

1. Require all current centers to join any new governance system.
2. Allow current districts the choice to join a new system.

III. ISSUE:

Regardless of a governance change, who should share in the funding of the vo-techs and to what degree?

Comments:

The total voted levy portion of funding for all centers has increased, without additional local control, from 1% to 17% in the last six years. State general funds have provided over half of all funding since 1979; county millage has steadily provided about 10%. There is a prediction that federal funds will diminish.

Only the five school districts and the counties with vo-techs contribute property tax funding to the centers, which are available to all students of the state on an equal basis in that tuition is the same for all state residents. However, the vo-tech counties and cities do derive some economic benefits that may offset some of the property tax burden.

Some local school boards express difficulty with promoting property tax funding for both the vo-techs and for elementary and secondary education.

The OPI "Strategy for Reform" suggests that the state should fund 75% and local sources should fund 10-15%. A statewide levy has been suggested as a possible new source. One statewide mill would yield over \$2 million.

Options Discussed:

1. Maintain current contribution sources and levels.
2. Increase state contribution level by:
 - a. Increasing funding from education trust fund of coal tax;

- b. Increasing the general fund amount;
 - c. Earmarking a portion of coal tax.
3. Establish a statewide levy of 1 to 2 mills in support of vo-techs.

IV. ISSUE:

If a governance change is recommended that eliminates local control, should vo-tech area property taxpayers be required to contribute more than other state taxpayers might be required to pay?

Comments:

The vo-tech cities and counties will still derive some economic benefit from those institutions. Requiring an extra contribution might be linked to arrangements for transfer of vo-tech facilities, such as an exemption for continuing to pay off facility bonds. An extra local contribution could reduce the amount of a statewide levy.

Options Discussed:

1. No extra contribution from local area.
2. Require at least one-half mill more from local area than the levy for other counties.
3. Exempt from extra millage any facility bonds or SIDs that district is willing to pay off, with option for future state acquisition.

V. ISSUE:

Regardless of a governance change, should all or some vo-tech students be required to contribute a greater share of the cost of their education?

Comments:

Tuition and required fees for a quarter at university system units is almost double the full-time student tuition at the vo-techs. Tuition at the community colleges varies, but generally in-district students pay less and out-of-district students pay more than vo-tech students pay. Tuition and fees accounted for 16% of appropriated funding for the vo-techs in FY 86; this funding source has increased from 10% in 1986. In FY 84-85, one-third of all vo-tech students indicated that their county of residence was not the county where they were attending school.

Student FTE enrollment has been consistently close to 2,550 from FY 82 to FY 85. The October 1986 student count indicated an enrollment drop of 250, with Missoula and Helena each losing around 100 students.

There are indications that federal student aid may decline and that may influence student ability to attend and to pay higher tuition.

The OPI "Strategy for Reform" suggests that tuition be set as a percentage of the average instructional and support costs.

Options Discussed:

1. No significant change in tuition rate.

2. Increase tuition for all students.
3. Set tuition for out-of-district students at higher rate than district students if local board is involved in governance.
4. Set the tuition as a percentage of the average instruction and support costs.

VI. ISSUE:

Regardless of a change in governance or funding, should the funding formula used by the Legislature allow for more flexibility in program development and for start-up money for innovative programs?

Comments:

The FTE-based budget formula has been criticized for not considering interim funding for quick-start or other new projects. Many states that are promoting economic development through coordination with educational facilities are providing a funding pool separate from regular budgets.

The OPI "Strategy for Reform" suggests making federal dollars discretionary for expansion, innovative programs, responses to one-time industry needs, equipment upgrades, or service to special populations.

Options Discussed:

1. No change in funding plan; appropriation will absorb new program needs.

2. Create special fund for grants to types of programs named above.

VII. ISSUE:

Regardless of governance or funding changes, are there vo-tech program concerns that need to be addressed by legislative mandate or by administrative policy?

Comments:

The following are program concerns that have been discussed to date:

1. Program duplication among centers.
2. Program duplications among the centers, community colleges, and the university system units.
3. Granting of associate degrees at vo-techs.
4. Transfer of credits to other state education units.
5. Flexibility in program addition or deletion.
6. Need for programs that will encourage or coincide with state economic development plans or individual business or industry endeavors.
7. Equipment upgrades.

Options Discussed:

1. Designate which centers will offer certain general program areas.
2. Create governance structure with duty to control duplication among all postsecondary units.
3. Encourage articulation among postsecondary units and a system for acceptance of credits.
4. Encourage incentives for private donations of state-of-the-art equipment.
5. Allow vo-techs to grant associate degrees.

VIII. ISSUE:

Regardless of a governance or funding change, are there state/local administrative concerns that need to be addressed?

Comments:

The following are administrative concerns that have been discussed to date:

1. Adequate curriculum review and development.
2. Teacher certification follow-up.
3. Adequate needs assessments.
4. Adequate job placement and cooperation with agencies concerned with employment.

IX. ISSUE:

If direct state governance of the centers is recommended, who should assume responsibility for center facilities?

Comments:

The OPI "Strategy for Reform" suggests state assumption of existing facilities into the Department of Administration system, along with assurances to districts with bond obligations that proper repair and maintenance will occur to protect the local investment. A 1972 Washington State Supreme Court decision allowed the state to transfer to a new state board and community college system all school district assets that had been acquired for operation of local community colleges. The state was not required to reimburse the districts based on the ruling that the Legislature had originally allowed school districts to create the colleges for a state purpose.

Options Discussed:

1. Allow for flexibility among districts for the following options:
 - a. Donation of facilities to state;
 - b. Lease facilities to state;
 - c. State takes over any payments;
 - d. State purchases for any equity.

2. Require uniform policy for all vo-techs.
3. Allow renewable options for districts.
4. State appropriates facilities without reimbursement.

X. ISSUE:

If school districts are removed from governance structure, what transition measures should be established regarding employee salaries and benefits under a new system?

Comments:

House Bill 18 of the 1985 session allowed 1-1/2 years for negotiation with a new governance authority before center employees were to become state employees. Employees felt they would need this time to establish new bargaining agents and the new governing authority would need time to develop pay plans and to classify center employees.

The OPI "Strategy for Reform" calls for establishment of task forces on instructional and administrative/support staffs to define systemwide pay and benefit plans; the task forces would recommend statutory changes.

Vo-tech instructional staffs have concerns about whether they would lose tenure rights. The fair termination process within the current tenure laws could be specifically guaranteed or allowed as a collective bargaining issue.

Options Discussed:

1. Allow at least one year for district employees to negotiate with new governing authority prior to becoming state employees.
2. Purchase existing contract for a period of years.
3. State board or new local board assumes accumulated leave benefits of employees.
4. Governing authorities must provide comparable salary and benefit package, with or without a freeze on negotiated improvements for a period of years;
5. Institute specific fair termination procedures or a type of tenure.

XI. ISSUE:

What should be the duties be for any new board that is established?

Comments:

The following options were duties listed for the new state board in House Bill 18:

Options Discussed:

1. Prevent unnecessary duplication in center programs.

2. Adopt course standards.
3. Appoint center directors.
4. Establish qualifications for faculty and administrative personnel.
5. Appoint a commissioner of postsecondary vocational-technical education.
6. Adopt budget requests.
7. Provide for education and training outside of the center in the private sector when the center cannot provide certain types of education and training.
8. Provide, when desirable, for the education of students at the center by private sector persons who have skills and knowledge that the center's faculty does not have.
9. Provide a means for the transfer of course credits between centers and other institutions of higher education.
10. Adopt rules to implement the powers and duties of the Board of Regents.

SUBCOMMITTEE DELIBERATIONS

The following chronology is designed to highlight the steps of the study process, acknowledge major testimony, list the reports presented to the Subcommittee, and document Subcommittee action on the study issues. All reports, written testimony, and minutes are on file at the Montana Legislative Council.

First Meeting--October 4, 1985

1. Staff presented a study plan and work design for HJR 52. The Subcommittee approved the plan after including as a study topic the role and scope of vocational education at other Montana higher education institutions. Staff also presented a report on legislative involvement in vo-tech governance and funding from 1939 to present. The Subcommittee also requested an examination of the constitutionality of current vo-tech governance.
2. Interested persons and organizations voiced support for the study design. Dennis Lerum, Director of the Missoula Vocational-Technical Center, offered written testimony on various operational problems that exist for postsecondary vo-techs when they are attached to school districts.

Second Meeting--November 25, 1985

1. Staff presented a report on the history and status of the vo-tech center system. John MacMaster, staff attorney, reviewed for the Subcommittee the constitutional validity of the current governance

authority of the Superintendent of Public Instruction.

2. Staff of the Office of the Legislative Auditor reviewed the substance and recommendations of a 1984 performance audit on the efficiency and effectiveness of vocational education programs at the five centers. The directors of the centers and OPI discussed their responses to the various recommendations.
3. On behalf of the Superintendent of Public Instruction, Gene Christiaansen, Assistant Superintendent for Vocational Education Services, presented a strategy for reform of the vo-tech system. The report suggested the Superintendent as the sole state governing agent, along with locally elected governing boards that would be separate from the school district boards. The local board would be given taxing authority for partial funding of each local center.

Third Meeting--February 14, 1986

1. Various vo-tech center directors and school board trustees responded in writing and in person to a Subcommittee questionnaire on local board preferences for governance and funding changes.
2. The Subcommittee made a recommendation to the Legislature that the state continue and intensify general support for vocational-technical education in Montana.

3. The Subcommittee requested governance models from the Office of Public Instruction, the Board of Regents, and local school districts.
4. The Subcommittee discussed and voted on the various governance alternatives in parts I and II of Issues and Options Checklist. The following summarizes that action:
 - a. All members agreed that a change in governance was needed;
 - b. The vote was tied on whether the current school boards and a new state board should share control;
 - c. There was no support for total and direct governance by a state board or creation of a new constitutional board to govern only the vo-techs;
 - d. The Subcommittee did not rule out options for placing the vo-techs under units of the university system, or governance by a state officer who would answer to a state board, or a system similar to that of the community colleges;
 - e. There was agreement that all postsecondary vocational education should be under one board or at least coordinated to a greater degree than it is currently; and

- f. The members favored allowing districts the option of participating in any new governance system.

Fourth Meeting--May 2, 1986

1. The Subcommittee voted on each of the governance models presented by OPI, the Board of Regents, and other interested persons:
 - a. The members achieved consensus only on the Billings school board proposal of a sub-board under the Regents, with local boards separate from school boards;
 - b. Acceptance of the following models failed on tie votes: the Regents' models for branch campuses attached to university system units and for direct control by the Regents; the OPI model for a state board under the superintendent, with local advisory boards; the model by Paul Justice, Helena Vo-tech teacher, which suggested a Regents' sub-board to govern with local school boards; and the model by Jim Whooley, Great Falls vo-tech instructor, which suggested an appointed board with OPI staff support and division of the state into five vo-tech regions for purposes of electing local governing boards.

Fifth Meeting--November 7, 1986

1. Gene Christiaansen presented an update on fall 1986 enrollment at the vo-techs and the Governor's

proposed vo-tech budget for the next biennium. Enrollment is down by 255 students and the

Governor's Budget Office suggested as much as an 11% decrease from the previous fiscal year. OPI suggested a tuition increase from \$225 to \$235 per quarter.

2. Eric Feaver, Montana Education Association, said that in a poll of MEA members, most favored placing the vo-techs under the Regents and that MEA did not fear unfair treatment of employees with a governance change.
3. Various school board trustees and vo-tech directors stressed that the vo-techs may face more serious financial problems unless positive change occurs.
4. On a motion by Senator Lynch, the Subcommittee voted to request draft legislation to place the vo-techs under the Regents and to leave the employees under the local school boards, with the suggestion that the Legislature review the situation in two years. The motion included the continuation of the mandatory county levy of 1-1/2 mills and the possibility of further local funding not to exceed 10% of the local vo-tech budgets. House Bill 18 of the 1985 session would provide additional details for the governance change. The Subcommittee requested further information on current local funding levels. Staff was requested to present the draft legislation at a brief meeting on November 15, 1986.

Sixth Meeting--November 15, 1986

1. The Subcommittee met to approve draft legislation, LC 164, to be included in the Subcommittee's final report to the 50th Legislature.
2. The Subcommittee discussed the transfer of employee benefits and seniority rights and an effective date for the proposed legislation.
3. On a motion by Representative Gene Donaldson, the Subcommittee voted to amend the draft legislation (LC 164) to allow the employees to remain under the school district board for two school years and to include a provision for transferring employee years of service along with other benefits that had been included in HB 18 from last session. The motion also called for amending the draft bill to cap the county levy at 3 mills. The motion carried. See Appendix A for LC 164, the draft bill, as amended.
4. Senator Lynch offered, as a minority opinion for the final report, the original provision in Section 14 of LC 164 that allowed the employees to remain school district employees for an indefinite period. Representatives Jerry Driscoll and Dan Harrington joined in support of the minority report at a later date. See Appendix B.

1
2 INTRODUCED BY _____ BILL NO. _____
3 BY REQUEST OF THE JOINT INTERIM SUBCOMMITTEE
4 ON VO-TECHS/JOB TRAINING
5

6 A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING GOVERNANCE
7 OF THE POSTSECONDARY VOCATIONAL-TECHNICAL CENTERS TO THE
8 BOARD OF REGENTS OF HIGHER EDUCATION; RENAMING POSTSECONDARY
9 VOCATIONAL-TECHNICAL CENTERS AS VOCATIONAL-TECHNICAL
10 CENTERS; AMENDING SECTIONS 19-4-302, 20-1-101, 20-3-103,
11 20-3-106, 20-6-501, 20-7-301, 20-7-302.1, 20-7-303,
12 20-7-311, 20-7-312, 20-7-314, 20-7-322, 20-7-324, 20-7-325,
13 20-7-327, 20-7-332, 20-7-333, 20-9-403, 20-9-513, 20-9-603,
14 39-71-118, AND 90-6-211, MCA; REPEALING SECTIONS 20-7-323,
15 20-7-326, 20-9-404, AND 20-9-405, MCA; AND PROVIDING AN
16 EFFECTIVE DATE."
17

18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

19 NEW SECTION. Section 1. Powers and duties of board of
20 regents. The board of regents has general administrative and
21 supervisory control over vocational-technical center
22 education and shall:

23 (1) establish and when necessary amend a plan for the
24 orderly development of vocational-technical center education
25 that is consistent with federal and state law, controlled to

APPENDIX A

1 prevent unnecessary duplication, and funded to ensure
2 necessary growth and quality education;
3 (2) adopt standards for courses and programs;
4 (3) implement a review process for establishing and
5 deleting programs and courses that recognizes the present
6 and future needs of employers and provides qualified
7 graduates for positions for which there is or may in the
8 near future be a demand;
9 (4) establish student entrance and graduation
10 requirements;
11 (5) appoint a director, to serve at the pleasure of
12 the board, for each vocational-technical center and
13 establish minimum qualifications for faculty, directors,
14 administrative staff, and other personnel;
15 (6) appoint a commissioner of vocational-technical
16 center education, to serve at the pleasure of the board;
17 (7) establish student tuition and prescribe the bases
18 and limitations for charging of fees, taking into account
19 funding available from all other sources;
20 (8) determine the amount to be paid for the lease of
21 buildings;
22 (9) adopt budget requests for the vocational-technical
23 center education system;
24 (10) establish a procedure by which students can
25 receive part of their education and training through

1 programs, courses, and on-the-job training offered by the
2 private sector and not available at the centers;

3 (11) establish a procedure by which qualified persons
4 in the private sector can participate in the training and
5 teaching of students in the centers' classrooms when such
6 persons have training, knowledge, and skills not available
7 through the centers' faculty;

8 (12) provide means by which the centers' faculty can
9 obtain advanced education and training in new areas and
10 either be reimbursed for their expenses or raised to a
11 higher salary level, or both;

12 (13) establish for the various centers uniform policies
13 for recordkeeping; financial transactions; accounting;
14 maintenance; recruiting, guidance, and placement of
15 students; examinations; personnel relations; and other
16 matters as determined by the board;

17 (14) negotiate with the bargaining representative for
18 personnel of each center or the personnel of the
19 center system in a manner consistent with state and federal
20 law;

21 (15) work with other institutions of higher education
22 to implement the transfer of course credits between those
23 institutions and the vocational-technical centers; and

24 (16) adopt rules and procedures to implement this
25 section and to carry out any other powers and duties of the

1 board.

2 NEW SECTION. Section 2. Sole state agency for federal
3 vocational education requirements. The board of regents is
4 the sole state agency for purposes of the 1985 federal Carl
5 D. Perkins Vocational Education Act, 44 U.S.C. 2301, et
6 seq., which requires a state participating in programs under
7 that act to designate a state board or agency as the sole
8 state agency responsible for administration or supervision
9 of the administration of those programs.

10 NEW SECTION. Section 3. Local advisory boards. The
11 board of trustees of a school district in which a
12 vocational-technical center is located shall appoint a local
13 advisory board, composed of at least five residents of the
14 county where the center is located, to act in an advisory
15 capacity to the center and the board of regents.

16 NEW SECTION. Section 4. Duties of the commissioner of
17 vocational-technical center education. The commissioner of
18 vocational-technical center education shall, under the rules
19 and policies of the board of regents:

20 (1) be the chief administrative officer for the board
21 of regents for the administration of its
22 vocational-technical center rules and policies;

23 (2) employ, within the limits of any legislative
24 appropriation and with the confirmation of the board of
25 regents, the staff necessary for the state supervision and

1 administration of the board's vocational-technical center
2 rules and policies;

3 (3) provide supervisory and consultative assistance to
4 centers;

5 (4) report the status of vocational-technical center
6 education in Montana when requested by the board of regents;
7 and

8 (5) perform any other duties assigned by the board of
9 regents.

10 NEW SECTION. Section 5. Existing institute employees.

11 (1) The rights of persons employed by a vocational-technical
12 center under a collective bargaining agreement in effect
13 prior to July 1, 1989, may not be impaired.

14 (2) A person employed by a center under a school
15 district on June 30, 1989, becomes an employee of the board
16 of regents on July 1, 1989.

17 (3) Following [the effective date of this section],
18 the employees of any center may apply to the board of
19 personnel appeals for determination of the appropriate
20 bargaining unit or units for the purposes of collective
21 bargaining for a contract or contracts to be negotiated with
22 the board of regents prior to July 1, 1989.

23 (4) If a person is employed by a center in any
24 capacity on July 1, 1989, and has accumulated sick,
25 vacation, or other leave and years of service with a school

1 district, such leave and years of service shall be
2 transferred fully regardless of the length of employment
3 with the district in which the center is located.

4 Section 6. Section 19-4-302, MCA, is amended to read:
5 "19-4-302. Active membership. (1) Unless otherwise
6 provided by this chapter, the following persons must be
7 active members of the retirement system, with the exception
8 that those persons who became eligible for membership on
9 September 1, 1937, or on September 1, 1939, and who elected
10 not to become members under the provisions of the law at
11 that time are not required to be members:

12 (a) any person who is a teacher, principal, or
13 district superintendent as defined in 20-1-101;

14 (b) any person who is an administrative officer or a
15 member of the instructional or scientific staff of a unit of
16 the Montana university system or a vocational-technical
17 center;

18 (c) any person employed in an instructional services
19 capacity by the office of the superintendent of public
20 instruction, the office of a county superintendent, a
21 special education cooperative, a public institution of the
22 state of Montana, the Montana state school for the deaf and
23 blind, or a school district;

24 (d) any person who has elected not to become a member
25 of the retirement system and is reentering service in a

1 capacity prescribed by (a), (b), or (c) of this subsection
2 (1);

3 (e) any person who has elected not to become a member
4 of the retirement system, who has been continuously employed
5 in a capacity prescribed by (a), (b), or (c) of this
6 subsection (1) since the time of such election, and who may
7 thereafter elect to become a member of the retirement
8 system.

9 (2) In order to be eligible for active membership, any
10 person described in subsection (1) must:

11 (a) be employed in the capacity prescribed for his
12 eligibility for at least 30 days in any fiscal year; and

13 (b) have the compensation for his creditable service
14 totally paid by an employer as defined herein.

15 (3) At any time a person's eligibility to become a
16 member of the retirement system is in doubt, the retirement
17 board shall determine his eligibility for membership. All
18 persons in similar circumstances shall be treated alike."

19 Section 7. Section 20-1-101, MCA, is amended to read:
20 "20-1-101. Definitions. As used in this title, unless
21 the context clearly indicates otherwise, the following
22 definitions apply:

23 (1) "Agricultural experiment station" means the
24 agricultural experiment station established at Montana state
25 university.

1 (2) "Average number belonging" or "ANB" shall mean the
2 average number of regularly enrolled, full-time pupils
3 attending the public schools of a district.

4 (3) "The board of public education" is the board
5 created by Article X, section 9, subsection (3), of the 1972
6 Montana constitution and 2-15-1507.

7 (4) "Board of regents" means the board of regents of
8 higher education created by Article X, section 9, subsection
9 (2), of the 1972 Montana constitution and 2-15-1505.

10 (5) "Commissioner" means the commissioner of higher
11 education created by Article X, section 9, subsection (2),
12 of the 1972 Montana constitution and 2-15-1506.

13 (6) "County superintendent" means the county
14 government official who is the school officer of the county.

15 (7) "District superintendent" means any person who
16 holds a valid class 3 Montana teacher certificate with a
17 superintendent's endorsement that has been issued by the
18 superintendent of public instruction under the provisions of
19 this title and the policies adopted by the board of public
20 education and who has been employed by a district as a
21 district superintendent.

22 (8) "K-12 vocational education" means vocational
23 education in public school grades 1 through 12.

24 (9) "--Postsecondary-vocational-technical-center"--means
25 a school-used principally for the provision of postsecondary

1 vocational-technical--education--to--persons--who-qualify-as
 2 postsecondary-vocational-technical-pupils--these-centers-are
 3 designated-by-the-superintendent-of-public-instruction--upon
 4 direction--by--the--legislature--All-other-public-or-private
 5 schools-are-hereby-prohibited-from-using-this-title-
 6 (9)--"Postsecondary---vocational-technical---education"
 7 means---vocational-technical---education---of--postsecondary
 8 vocational-technical--pupils--which--is---conducted---by---a
 9 postsecondary--vocational-technical-center-or-other-programs
 10 as-designated-by-the-superintendent-of--public--instruction-
 11 Postsecondary--vocational-technical--education-shall-include
 12 the-13th-end-14th-year-and-beyond-but-will-not-include--work
 13 toward-a-baccalaureate-degree-
 14 (10)--"Postsecondary-vocational-technical-pupil"--means-a
 15 person--who--has--completed--or--left-school--is-at-least-16
 16 years-of-age--and-is-available-for-study-in-preparation--for
 17 entering--the-labor-market--for-reentering-the-labor-market-
 18 or-for-employment-stability-or-advancement-in-employment-
 19 (11)(9) "Principal" means any person who holds a valid

20 class 3 Montana teacher certificate with an applicable
 21 principal's endorsement that has been issued by the
 22 superintendent of public instruction under the provisions of
 23 this title and the policies adopted by the board of public
 24 education and who has been employed by a district as a
 25 principal. For the purposes of this title, any reference to

1 a teacher shall be construed as including a principal, as
 2 herein defined.

3 (12)(10) "Pupil" means any child who is 6 years of age
 4 or older on or before September 10 of the year in which the
 5 child is to enroll or has been enrolled by special
 6 permission of the board of trustees under 20-5-101(3) but
 7 has not yet reached his 19th birthday and who is enrolled in
 8 a school established and maintained under the laws of the
 9 state of Montana at public expense.

10 (13)(11) "Pupil instruction" means the conduct of
 11 organized instruction of pupils enrolled in public schools
 12 while under the supervision of a teacher.

13 (14)(12) "Regents" means the board of regents of higher
 14 education.

15 (15)(13) "School food services" means a service of
 16 providing food for the pupils of a district on a nonprofit
 17 basis and shall include any food service financially
 18 assisted through funds or commodities provided by the United
 19 States government.

20 (16)(14) "The state board of education" is the board
 21 composed of the board of public education and the board of
 22 regents as specified in Article X, section 9, subsection
 23 (1), of the 1972 Montana constitution.

24 (17)(15) "State university" means the Montana state
 25 university, located at Bozeman.

t287(16) "Superintendent of public instruction" means that state government official designated as a member of the executive branch by the constitution of Montana.

t297(17) "System" means the Montana university system.

t207(18) "Teacher" means any person, except a district superintendent, who holds a valid Montana teacher certificate that has been issued by the superintendent of public instruction under the provisions of this title and the policies adopted by the board of public education and who is employed by a district as a member of its instructional, supervisory, or administrative staff. This definition of a teacher shall also include any person for whom an emergency authorization of employment of such person has been issued under the provisions of 20-4-111.

t277(19) "Textbook" means a book or manual used as a principal source of study material for a given class or group of students.

t227(20) "Textbook dealer" means any party, company, corporation, or other organization selling, offering to sell, or offering for adoption textbooks to districts in the state of Montana.

t237(21) "Trustees" means the governing board of a district.

t247(22) "University" means the university of Montana, located at Missoula.

t257(23) "Vocational education" means the instruction to prepare or improve the pupil for gainful employment that does not require a baccalaureate or higher degree. This definition of vocational education shall include guidance and prevocational, related, or technical instruction necessary to prepare the pupil for further vocational education or for entry into employment.

(24) "Vocational-technical center" means an institution used principally for the provision of vocational-technical education to persons who qualify as vocational-technical students. These centers are designated by the board of regents upon direction by the legislature. All other public or private institutions or schools are hereby prohibited from using this title.

(25) "Vocational-technical education" means vocational-technical education of vocational-technical students that is conducted by a vocational-technical center, a unit of the Montana university system, or a community college as designated by the board of regents."

Section 8. Section 20-3-103, MCA, is amended to read:
 "20-3-103. Deputy superintendent -- staff. (1) The state superintendent of public instruction shall appoint a deputy who, in the absence of the principal or in the case of vacancy in his office, shall perform all the duties of office until such disability be removed or vacancy be

1 filled. Such deputy shall subscribe, take, and file the oath
2 of office provided by law for other state officers before
3 entering upon the performance of his duties.

4 (2) The superintendent of public instruction shall
5 have the power to employ, organize, and administer a staff
6 of personnel to assist him in the administration of the
7 duties and services of the office. In organizing his staff,
8 the superintendent of public instruction shall employ:

9 (a) a supervisor of physical education who is a
10 graduate of an accredited institution of higher education
11 with a master's degree in physical education;

12 (b) a professional staff for the state supervision and
13 administration of K-12 vocational education; and

14 (c) a special education supervisor who is a graduate
15 of an accredited institution of higher education with a
16 master's degree in a field of special education for the
17 mentally retarded or physically handicapped and who has not
18 less than 2 years' experience in special education."

19 Section 9. Section 20-3-106, MCA, is amended to read:
20 "20-3-106. Supervision of schools -- powers and
21 duties. The superintendent of public instruction has the
22 general supervision of the public schools and districts of
23 the state, and he shall perform the following duties or acts
24 in implementing and enforcing the provisions of this title:

25 (1) resolve any controversy resulting from the

1 proration of costs by a joint board of trustees under the
2 provisions of 20-3-362;

3 (2) issue, renew, or deny teacher certification and
4 emergency authorizations of employment;

5 (3) negotiate reciprocal tuition agreements with other
6 states in accordance with the provisions of 20-5-314;

7 (4) serve on the teachers' retirement board in
8 accordance with the provisions of 2-15-1010;

9 (5) approve or disapprove the orders of a high school
10 boundary commission in accordance with the provisions of
11 20-6-311;

12 (6) approve or disapprove the opening or reopening of
13 a school in accordance with the provisions of 20-6-502,
14 20-6-503, 20-6-504, or 20-6-505;

15 (7) approve or disapprove school isolation within the
16 limitations prescribed by 20-9-302;

17 (8) generally supervise the school budgeting
18 procedures prescribed by law in accordance with the
19 provisions of 20-9-102 and prescribe the school budget
20 format in accordance with the provisions of 20-9-103 and
21 20-9-506;

22 (9) establish a system of communication for
23 calculating joint district revenues in accordance with the
24 provisions of 20-9-151;

25 (10) approve or disapprove the adoption of a district's

1 emergency budget resolution under the conditions prescribed
 2 in 20-9-163 and publish rules for an application for
 3 additional state aid for an emergency budget in accordance
 4 with the approval and disbursement provisions of 20-9-166;
 5 (11) generally supervise the school financial
 6 administration provisions as prescribed by 20-9-201(2);
 7 (12) prescribe and furnish the annual report forms to
 8 enable the districts to report to the county superintendent
 9 in accordance with the provisions of 20-9-213(5) and the
 10 annual report forms to enable the county superintendents to
 11 report to the superintendent of public instruction in
 12 accordance with the provisions of 20-3-209;

13 (13) approve, disapprove, or adjust an increase of the
 14 average number belonging (ANB) in accordance with the
 15 provisions of 20-9-313 and 20-9-314;

16 (14) distribute state equalization aid in support of
 17 the foundation program in accordance with the provisions of
 18 20-9-342, 20-9-346, and 20-9-347;

19 (15) distribute state impact aid in accordance with the
 20 provisions of 20-9-304;

21 (16) provide for the uniform and equal provision of
 22 transportation by performing the duties prescribed by the
 23 provisions of 20-10-112;

24 (17) approve or disapprove an adult education program
 25 for which a district proposes to levy a tax in accordance

1 with the provisions of 20-7-705;

2 (18) request, accept, deposit, and expend federal
 3 moneys in accordance with the provisions of 20-9-603;

4 (19) authorize the use of federal moneys for the
 5 support of an interlocal cooperative agreement in accordance
 6 with the provisions of 20-9-703 and 20-9-704;

7 (20) prescribe the form and contents of and approve or
 8 disapprove interstate contracts in accordance with the
 9 provisions of 20-9-705;

10 (21) approve or disapprove the conduct of school on a
 11 Saturday or on pupil-instruction-related days in accordance
 12 with the provisions of 20-1-303 and 20-1-304;

13 (22) recommend standards of accreditation for all
 14 schools to the board of public education and evaluate
 15 compliance with such standards and recommend accreditation
 16 status of every school to the board of public education in
 17 accordance with the provisions of 20-7-101 and 20-7-102;

18 (23) collect and maintain a file of curriculum guides
 19 and assist schools with instructional programs in accordance
 20 with the provisions of 20-7-113 and 20-7-114;

21 (24) establish and maintain a library of visual, aural,
 22 and other educational media in accordance with the
 23 provisions of 20-7-201;

24 (25) license textbook dealers and initiate prosecution
 25 of textbook dealers violating the law in accordance with the

1 provisions of the textbooks part of this title;

2 (26) as the governing agent and executive officer of
3 the state of Montana for K-12 vocational education, adopt
4 the policies prescribed by and in accordance with the
5 provisions of 20-7-301;

6 ~~†27†~~consider--applications--for--the--designation-of-a
7 postsecondary-vocational-technical-center-in-accordance-with
8 the-provisions-of-20-7-31†;

9 ~~†28†~~establish-a-fund-for-the-handling-of-postsecondary
10 vocational-technical-center---fees--in--accordance--with--the
11 provisions-of-20-7-33†;

12 ~~†29†~~(27) supervise and coordinate the conduct of
13 special education in the state in accordance with the
14 provisions of 20-7-403;

15 ~~†30†~~(28) administer the traffic education program in
16 accordance with the provisions of 20-7-502;

17 ~~†31†~~(29) administer the school food services program in
18 accordance with the provisions of 20-10-201, 20-10-202, and
19 20-10-203;

20 ~~†32†~~(30) review school building plans and
21 specifications in accordance with the provisions of
22 20-6-622;

23 ~~†33†~~(31) prescribe the method of identification and
24 signals to be used by school safety patrols in accordance
25 with the provisions of 20-1-408; and

1 ~~†34†~~(32) perform any other duty prescribed from time to
2 time by this title, any other act of the legislature, or the
3 policies of the board of public education."

4 Section 10. Section 20-6-501, MCA, is amended to read:
5 "20-6-501. Definition of various schools. As used in
6 this title, unless the context clearly indicates otherwise,
7 the term "school" means an institution for the teaching of
8 children that is established and maintained under the laws
9 of the state of Montana at public expense. The trustees of
10 any district shall designate the grade assignments for the
11 schools of the district, but for the purposes of this title
12 each school shall be known as:

13 (1) an elementary school when it comprises the work of
14 any combination of kindergarten, other preschool programs,
15 or the first eight grades or their equivalents. A middle
16 school is a school comprising the work of grades 4 through 8
17 or any combination thereof that has been accredited as a
18 middle school under the provisions of 20-7-102. When an
19 accredited junior high school or an accredited 6-year high
20 school is operated by the district, grades 7 and 8 or their
21 equivalents shall not be considered as elementary grades.

22 (2) a high school when it comprises the work of one or
23 more grades of schoolwork or their equivalents intermediate
24 between the elementary schools and the institutions of
25 higher education of the state of Montana. Types of high

1 schools shall be designated as follows:

2 (a) a junior high school is a school comprising the
3 work of grades 7 through 9 or their equivalents that has
4 been accredited as a junior high school under the provisions
5 of 20-7-102;

6 (b) a senior high school is a school which comprises
7 the work of grades 10 through 12 or their equivalents and
8 which is operated in conjunction with a junior high school;
9 (c) a 6-year high school is a school comprising the
10 work of grades 7 through 12 or their equivalents that has
11 been accredited as a 6-year high school under the provisions
12 of 20-7-102;

13 (d) a 4-year high school is a school comprising the
14 work of grades 9 through 12 or their equivalents;

15 (e) a county high school is a 4-year high school
16 operated as an agency of county government and established
17 under the provisions of the acts of March 3, 1899, March 14,
18 1901, and any subsequent amendments thereto;

19 ~~{f}-a---postsecondary---vocational-technical---center~~
20 ~~established under the provisions of 20-7-311."~~

21 Section 11. Section 20-7-301, MCA, is amended to read:
22 "20-7-301. Duties of the superintendent of public
23 instruction. The superintendent of public instruction shall
24 be the governing agent and executive officer of the state of
25 Montana for K-12 vocational education. The superintendent of

1 public instruction shall adopt and administer policies to
2 effect the orderly development of a system of K-12
3 vocational education that is adaptable to changing needs,
4 controlled to prevent unnecessary duplication, coordinated
5 with federal guidelines and requirements for vocational
6 education, and funded to ensure growth and quality
7 programming. In order to accomplish the orderly development
8 of a system of K-12 vocational education, the superintendent
9 of public instruction policies shall include:

10 (1) a state plan for such development;

11 (2) standards for K-12 vocational education courses
12 and programs;

13 ~~{3}-the---minimum---requirements---for---granting~~
14 ~~postsecondary-vocational-technical-certificates-to-students;~~
15 ~~{4}{3} a review process for the establishment and~~
16 ~~deletion of programs;~~

17 ~~{5}-the-necessary-qualifications-that-a--postsecondary~~
18 ~~vocational-technical-center-director-must-possess;~~

19 ~~{6}{4} instructor qualifications for K-12 vocational~~
20 ~~education courses and programs;~~

21 ~~{7}{5} criteria for approval of K-12 vocational~~
22 ~~education courses and programs which--are--to--receive~~
23 ~~financial-assistance;~~

24 ~~{8}-criteria---for---receiving;---reviewing;---and~~
25 ~~transmitting-----recommendations-----on-----postsecondary~~

1 vocational-technical-center-operations-and--budget--requests
 2 to-the-legislature?
 3 †9†(6) a basis for apportionment of all moneys
 4 appropriated by the legislature for K-12 vocational
 5 education in accordance with the intent of the legislature
 6 as reflected in the terms of the appropriation;
 7 †10†(7) a basis for apportionment of all moneys
 8 received by the state of Montana for K-12 vocational
 9 education from the federal government in accordance with the
 10 acts of congress;
 11 †11†(8) a system of evaluation of K-12 vocational
 12 education which allows for consideration of the current and
 13 projected manpower needs and job opportunities; and
 14 †12†the--tuition--and--fees--to--be--charged--at---the
 15 postsecondary---vocational-technical---centers;--based--upon
 16 legislative-appropriations-available-to--the--superintendent
 17 of-public-instruction-for-postsecondary-vocational-technical
 18 centers;
 19 †13†the--allowable--costs--for-rental-of-buildings-for
 20 postsecondary-vocational-technical-center-purposes;
 21 †14†guidelines-for--the--authority--delegated--by--the
 22 superintendent--of--public--instruction--to-the-local-school
 23 district--board--of--trustees--operating---a---postsecondary
 24 vocational-technical-center; and
 25 †15†(9) any other policy not inconsistent with public

1 law and which is necessary for the proper operation of a
 2 system of K-12 vocational education."
 3 Section 12. Section 20-7-302.1, MCA, is amended to
 4 read:
 5 "20-7-302.1. State director of K-12 vocational
 6 education -- duties. There is a state director of K-12
 7 vocational education appointed by the superintendent of
 8 public instruction. He must:
 9 (1) administer the K-12 vocational education policies
 10 adopted by the superintendent of public instruction;
 11 (2) prepare curriculum guides for superintendent of
 12 public instruction adoption;
 13 (3) employ, with the confirmation of the
 14 superintendent of public instruction, the professional staff
 15 necessary for the state supervision and administration of
 16 K-12 vocational education;
 17 (4) report the status of K-12 vocational education in
 18 the state of Montana when requested by the superintendent of
 19 public instruction;
 20 (5) keep all K-12 vocational education records in his
 21 office;
 22 (6) provide K-12 vocational education supervisory and
 23 consultative assistance to districts;
 24 †7†provide---a---postsecondary---vocational-technical
 25 center---system---policy---and---procedural---handbook---for

1 institutional-operations-that--will--standardize--operations
 2 among-the-centers;
 3 {8}--identify--and-direct-the-county-treasurer-in-those
 4 counties-where--postsecondary--vocational-technical--centers
 5 are--located-to-establish-the-necessary-multifund-structures
 6 for--postsecondary--vocational-technical--center---financial
 7 operations;
 8 {9}--meet--with--the-chairman-of-the-board-of-trustees;
 9 district--superintendent;--and--center--director---of---each
 10 postsecondary--vocational-technical--center--at--least-twice
 11 each--year---to---discuss---recommended---changes---in---the
 12 superintendent---of---public---instruction's---policies--and
 13 procedures;
 14 {10}--formulate-and--put--into--effect--uniform--fiscal;
 15 student;--staff;--and--program--accounting--systems--for-the
 16 postsecondary-vocational-technical-centers;
 17 {11}{7} prepare any necessary reports for the
 18 superintendent of public instruction or the legislature; and
 19 {12}--represent--the--postsecondary-vocational-technical
 20 center-system-to-state-agencies;--associations;--and--others
 21 when-appropriate;
 22 {13}--recommend-a-staffing-pattern-for-the-postsecondary
 23 vocational-technical-centers;
 24 {14}--provide---for---the--evaluation--of--programs--and
 25 services--with-in--each--postsecondary---vocational-technical

1 center;
 2 {15}--provide---for--evaluation--of--each--postsecondary
 3 vocational-technical-center's-ability-to-meet-employment-and
 4 student-vocational-technical-education-needs;--and
 5 {16}{8} perform any other duty assigned by the
 6 superintendent of public instruction."
 7 Section 13. Section 20-7-303, MCA, is amended to read:
 8 "20-7-303. District---authorization Authorization to
 9 establish and maintain vocational education courses and
 10 programs. The trustees of any an elementary or high school
 11 district;--community-college-district;--or-unit-of-the-Montana
 12 university-system may establish and maintain a vocational
 13 education course or program that complies with the K-12
 14 vocational education standards adopted by the superintendent
 15 of public instruction. The trustees of a community college
 16 district or a unit of the Montana university system may
 17 establish and maintain a vocational education course or
 18 program that complies with the vocational-technical
 19 education standards adopted by the board of regents. In
 20 order for a course or program to be eligible for state or
 21 federal financing, it shall be approved by the
 22 superintendent of public instruction for compliance with
 23 K-12 vocational education standards or by the board of
 24 regents for compliance with vocational-technical education
 25 standards, as appropriate."

1 Section 14. Section 20-7-311, MCA, is amended to read:
 2 "20-7-311. Postsecondary-----vocational-technical
 3 Vocational-technical center designation. (1) Postsecondary
 4 vocational-technical Vocational-technical centers shall be
 5 designated by the superintendent-of-public-instruction-only
 6 board of regents upon direction of the legislature.
 7 Applications-for-designation-must-be-made-in-accordance-with
 8 the-following-procedure:
 9 (a)--the--trustees--of--any--high-school-district-of-a
 10 county-high-school--of-a-community-college-district--or--the
 11 governing-board-of-any-unit-of-the-Montana-university-system
 12 may-submit-an-application-for-designation-of-a-postsecondary
 13 vocational-technical-center-to-be-operated-by-such-trustees
 14 or-governing-board--the-application-for-designation-shall-be
 15 submitted-in--accordance--with--the--time--data--and--form
 16 requirements--prescribed--by--the--superintendent--of-public
 17 instruction--Applicant-high-school--districts--county--high
 18 schools--or-community-college-districts-shall-be-located-in
 19 a-county-with-a-taxable-valuation-of-at-least--\$45--million--
 20 (b)--Applications--are--to--be--presented--to--the
 21 superintendent-of-public-instruction--the-superintendent-of
 22 public-instruction-shall-examine-the-application--and--draft
 23 recommendations--the--application--together--with--all
 24 recommendations--shall-be-presented-by-the-superintendent-of
 25 public-instruction-to-the-next-following-legislature;

1 (2) The superintendent-of-public-instruction board of
 2 regents shall recognize the presently--designated
 3 postsecondary vocational-technical centers operated--by--the
 4 respective--board--of--trustees--of designated prior to [the
 5 effective date of this act] in school district number 1 of
 6 Silver Bow County, high school district number 1 of Lewis
 7 and Clark County, high school district "A" of Cascade
 8 County, Missoula County high school, and high school
 9 district number 2 of Yellowstone County."
 10 Section 15. Section 20-7-312, MCA, is amended to read:
 11 "20-7-312. Local administration of
 12 vocational-technical center. (1) Subject to the requirements
 13 of the laws of the state of Montana and the policies and
 14 rules of the superintendent--of--public--instruction--as
 15 administered--by-the-state-director-of-vocational-education--
 16 the-board-of-trustees-operating--a--postsecondary board of
 17 regents, the director of a vocational-technical center has
 18 administrative and supervisory control of the center and
 19 shall:
 20 (a)--employ--from--among--qualified--applicants--a
 21 postsecondary-vocational-technical-center-director;
 22 (b)(a) employ administrative personnel--faculty
 23 members--and--employees for the postsecondary
 24 vocational-technical center according to the policies and
 25 procedures rules of the board of trustees regents;

1 ~~tey(b)~~ recommend develop and submit budgets a
2 recommended budget for the postsecondary
3 vocational-technical centers center;
4 ~~tdt(c)~~ establish and collect student tuition and fees;
5 ~~tet(d)~~ recommend to the superintendent--of--public
6 instruction--through--the--state--director---of---vocational
7 education board of regents:
8 (i) proposals regarding postsecondary
9 vocational-technical center programs, budgets, student
10 services, and public service activities; and
11 (ii) campus development and program plans for
12 individual postsecondary vocational-technical center
13 buildings;
14 ~~tfy(e)~~ manage buildings erected-and-equipped-on-leased
15 grounds at the vocational-technical center;
16 ~~tgf(f)~~ receive and administer gifts and bequests to
17 the postsecondary vocational-technical center according to a
18 written plan submitted to the superintendent--of--public
19 instruction board of regents; and
20 ~~thy(g)~~ perform any other administrative
21 responsibilities duties not inconsistent with law and
22 required by the superintendent-of-public-instruction board
23 of regents.

24 (2) The board-of--trustees--operating director of a
25 postsecondary vocational-technical center may not enter into

1 any contract that in any way creates a debt or obligation
2 upon the state for the improvement or construction of
3 postsecondary vocational-technical center buildings on
4 leased-property."

5 Section 16. Section 20-7-314, MCA, is amended to read:
6 "20-7-314. Lease or purchase of state property for
7 postsecondary vocational-technical center purposes. (1) The
8 state of Montana, acting by-and through the superintendent
9 of-public-instruction-is-hereby-empowered-and-authorized-to
10 enter--into--a board of regents, may lease, agreement for a
11 term not to exceed 40 years, in-order-to-lease-to-a-district
12 operating-a-postsecondary--vocational-technical--center any
13 building or lands owned-by-the-state-and-financed-in-whole
14 or-in-part-by-an-appropriation-made-by--the--legislature--of
15 the--state--of--Montana for the--purpose-of-supporting-the
16 district's-postsecondary a vocational-technical center. The
17 consideration--necessary--to--support--such--a--lease-may-be
18 nominal;

19 (2) The-superintendent-of-public-instruction-is-hereby
20 authorized-to-transfer-or-direct-transfer-of-title--held--by
21 the-state-of-Montana-in-buildings-or-lands-financed-in-whole
22 or-in-part-by-an-appropriation-by-the-state-legislature-to-a
23 district---operating--a--postsecondary--vocational-technical
24 center--at-any-time-the-superintendent-of-public--instruction
25 deems-such-transfer-to-be-in-the-best-interests-of-both--the

1 ~~state--and--the--district--involved,--provided--that--this~~
 2 ~~authorization--extends--only--to--buildings--or--lands--which--are~~
 3 ~~to--be--used--by--the--district--for--postsecondary~~
 4 ~~vocational--technical--education--purposes: The state of~~
 5 Montana, acting through the board of regents and on demand
 6 of a school district, shall lease or purchase the equity or
 7 interest of the school district in any building, land, or
 8 other property at a vocational-technical center on terms
 9 agreed to between the board of regents and the school
 10 district. A purchase may be by lump-sum payment, time
 11 payments, the assumption of bonded indebtedness, or any
 12 other mutually agreeable method. Money received by a school
 13 district from the lease or sale under this subsection (2) of
 14 the school district's equity or interest in a building,
 15 land, or other property must be credited to the debt service
 16 fund, building fund, general fund, or any combination of
 17 these funds, at the discretion of the trustees of the school
 18 district."

19 Section 17. Section 20-7-322, MCA, is amended to read:
 20 "20-7-322. State treasurer custodian of vocational
 21 education moneys money. (1) The treasurer of the state of
 22 Montana is hereby designated as the custodian of all federal
 23 and state moneys money designated, appropriated, or
 24 apportioned for vocational education. All moneys money
 25 received from any federal or state source for the

1 establishment, operation, or furtherance of vocational
 2 education in the state shall be deposited with the state
 3 treasurer. At the direction of the superintendent of public
 4 instruction, he shall disburse all moneys-appropriated-or
 5 money received for K-12 vocational education. At the
 6 direction of the board of regents, he shall disburse all
 7 money received for vocational-technical education.

8 (2) The state treasurer is the treasurer for all
 9 postsecondary vocational-technical centers, and all money
 10 received by postsecondary vocational-technical centers from
 11 any source shall be deposited in the state treasury pursuant
 12 to 17-6-105, unless the source of the money specifies
 13 deposit somewhere other than in the state treasury."

14 Section 18. Section 20-7-324, MCA, is amended to read:
 15 "20-7-324. Sources of financing for postsecondary
 16 vocational-technical center budgets -- superintendent-of
 17 public-instruction-administration distribution of funds. (1)
 18 The total of the budgets approved by the superintendent--of
 19 public--instruction board of regents shall constitute the
 20 total maximum approved statewide vocational-technical center
 21 system budget which shall be financed as follows:

22 (a) The primary source of financing is to be those
 23 funds specifically designated by legislative enactment or
 24 referendum by the people for financing postsecondary
 25 vocational-technical education in Montana.

1 (b) The board of county commissioners of each county
 2 in which a designated postsecondary vocational-technical
 3 center is located shall levy a tax in each calendar year of
 4 $\frac{1}{2}$ 3 mills on the dollar of all taxable property, real
 5 and personal, within the county for the support and
 6 maintenance of the postsecondary vocational-technical center
 7 located within the county system.

8 (c) Designated postsecondary vocational-technical
 9 centers shall be eligible to receive such funds from the
 10 federal government as the superintendent of public
 11 instruction board of regents may provide pursuant to
 12 applicable acts of congress.

13 (d) The board of trustees of any designated high
 14 school district or county high school district where a
 15 postsecondary vocational-technical center is located may be
 16 required, as a condition for the construction in that
 17 district of a postsecondary vocational-technical center, or
 18 any part thereof, to furnish up to 50% of the amount of
 19 funds required for any such construction. The percentage of
 20 construction funds to be furnished by the designated
 21 district shall be derived, in whole or in part, from any of
 22 the following sources:

23 (i) the sale of bonds issued by that district; such
 24 bonds shall be issued in conformity with the requirements of
 25 chapter 9, part 47 of this title in the case of high school

1 and county high school district;

2 (ii) any other funds available to that district which
 3 may be legally and properly applied toward such
 4 construction;

5 (iii) the reasonable value of land, buildings,
 6 fixtures or equipment furnished by that district; subject
 7 to the approval of the superintendent of public instruction;

8 (2) The superintendent of public instruction board of
 9 regents shall direct the distribution of the funds specified
 10 in subsections (i) through (iii) of subsection (1) on the
 11 basis of the budgets approved by the superintendent of
 12 public instruction board of regents. The funds earned by the
 13 mill levy specified in subsection (1)(b) shall be credited
 14 to the postsecondary vocational-technical center account in
 15 the unrestricted subfund of the current fund in the state
 16 treasury.

17 (3) The superintendent of public instruction shall
 18 determine the amount of financing available from these four
 19 sources of revenue and may approve budgets for instruction,
 20 plant operations and maintenance, equipment, and support.
 21 The aggregate amount of the budgets so approved by the
 22 superintendent of public instruction for postsecondary
 23 vocational-technical centers shall not exceed the moneys
 24 determined to be available."

25 Section 19. Section 20-7-325, MCA, is amended to read:

1 "20-7-325. Postsecondary-----vocational-technical
2 Vocational-technical center funding -- nongeneral fund money
3 expended first -- reversion of general fund money. (1)
4 Whenever--an--approved--postsecondary----vocational-technical
5 center--under--the--provisions--of--20-7-311--is--operated--within--a
6 district--the--trustees--of--such--district The board of regents
7 shall request the establishment of the appropriate accounts
8 for the vocational-technical center system in the state
9 treasury. These accounts shall be established in the
10 appropriate state treasury funds as determined by the
11 department of administration. All money prescribed and
12 received under the provisions of 20-7-324 shall be credited
13 to these accounts. The expenditure of the money deposited in
14 the state treasury shall be made in accordance with
15 procedures established by the department of administration.
16 Such expenditures shall be made under the budget and for the
17 programs approved by the superintendent--of--public
18 instruction board of regents under the--provisions--of
19 20-7-323--and the financial administration provisions of this
20 title.

21 (2) A postsecondary vocational-technical center shall
22 apply expenditures against nongeneral fund money wherever
23 possible before using state general fund appropriations. All
24 state general fund money appropriated or disbursed to a
25 postsecondary vocational-technical center which are

1 unexpended at fiscal year end shall revert to the state
2 general fund.

3 {3}--the--approval--of--the--postsecondary
4 vocational-technical--center--budget--and--subsequent--revision
5 or--amendment--of--such--budget--by--the--superintendent--of--public
6 instruction--shall--constitute--the--final--budget--approval.

7 {4}--Whenever--the--county--tax--prescribed--in
8 20-7-324--is--to--be--used--in--support--of--the--postsecondary
9 vocational-technical--center--the--county--commissioners--are
10 authorized--to--levy--such--tax--on--the--county--in--accordance--with
11 the--provisions--of--20-9-142.

12 Section 20. Section 20-7-327, MCA, is amended to read:
13 "20-7-327. Source of financing for postsecondary
14 vocational-technical center facility maintenance. The source
15 of funds for maintenance, remodeling, and renovation of
16 postsecondary vocational-technical center facilities may be
17 either local-funds federal funds or state funds specifically
18 appropriated by the legislature and approved by the
19 superintendent--of--public--instruction board of regents, or
20 any combination of these funds."

21 Section 21. Section 20-7-332, MCA, is amended to read:
22 "20-7-332. Tuition rates. (1) Tuition may be charged
23 to any resident or nonresident of the state of Montana by
24 the governing--board director of any postsecondary
25 vocational-technical center at rates to be determined by the

1 superintendent--of--public-instruction board of regents. The
 2 superintendent-of-public-instruction board of regents shall
 3 also prescribe permissible uses for any tuition authorized.
 4 (2) For the purposes of this section the eligibility
 5 of a student for resident status shall be determined in the
 6 same manner as that prescribed for use by the Montana
 7 university system, except that those provisions referring to
 8 "high school graduates" or "graduation from high school"
 9 shall be considered to refer to a person who has attended
 10 school or who was in attendance at a school."
 11 Section 22. Section 20-7-333, MCA, is amended to read:
 12 "20-7-333. Pupils Student fees and disposition of
 13 collected fees. (1) Fees for the use of equipment and
 14 material used in instruction may be charged by the trustees
 15 or other governing board director of the postsecondary
 16 vocational-technical center. The superintendent-of-public
 17 instruction board of regents shall prescribe the basis bases
 18 and limitations for the charging of such fees.

19 (2) Fees collected by the postsecondary
 20 vocational-technical center shall be deposited with the
 21 state treasurer in the fund designated by the superintendent
 22 of public-instruction board of regents for the receipt of
 23 such fees. The expenditure of the fees shall not be subject
 24 to budget limitations and shall be in addition to the
 25 program budgets approved by the superintendent--of--public

1 instruction board of regents."

2 Section 23. Section 20-9-403, MCA, is amended to read:
 3 "20-9-403. Bond issues for certain purposes. (1) The
 4 trustees of a school district may issue and negotiate bonds
 5 on the credit of the school district for the purpose of:
 6 (a) building, altering, repairing, buying, furnishing,
 7 equipping, purchasing lands for, and/or obtaining a water
 8 supply for a school, teacherage, dormitory, gymnasium, other
 9 building, or combination of said buildings for school
 10 purposes,---including---postsecondary---vocational-technical
 11 centers-in-the-school-district;

12 (b) buying a school bus or buses;
 13 (c) providing the necessary money to redeem matured
 14 bonds, maturing bonds, or coupons appurtenant to bonds when
 15 there is not sufficient money to redeem them;
 16 (d) providing the necessary money to redeem optional
 17 or redeemable bonds when it is for the best interest of the
 18 school district to issue refunding bonds; or
 19 (e) funding a judgment against the district.
 20 (2) Any money realized from the sale of any bonds
 21 issued on the credit of a high school district shall not be
 22 used for any of the above purposes in an elementary school
 23 district, and such money may be used for any of the above
 24 purposes for a junior high school but only to the extent
 25 that the 9th grade of the high school is served thereby."

1 Section 24. Section 20-9-513, MCA, is amended to read:
 2 "20-9-513. ~~Postsecondary~~-----~~vocational-technical~~
 3 Vocational-technical center and adult basic education
 4 programs account established. There is within the state
 5 special revenue fund a ~~postsecondary~~ vocational-technical
 6 center and adult basic education account. Money is paid into
 7 the account under 90-6-211. The state treasurer shall draw
 8 warrants payable from this account upon order of the
 9 superintendent of public instruction or the board of regents
 10 up to the amount provided for each under 90-6-211 by the
 11 biennium budget passed by the legislature."

12 Section 25. Section 20-9-603, MCA, is amended to read:
 13 "20-9-603. Acceptance and expenditure of federal
 14 moneys for state. (1) (a) The governor and the
 15 superintendent of public instruction are authorized on
 16 behalf of the state of Montana to request and accept such
 17 moneys as are now or will be made available under any act of
 18 congress of the United States or otherwise for purposes of
 19 public school building construction or for any other
 20 purposes of public schools and public education as permitted
 21 under the laws of the state of Montana and as authorized by
 22 the grants from the federal government. Such moneys shall be
 23 deposited by the governor and superintendent of public
 24 instruction in the state treasury and are appropriated and
 25 made available to the superintendent of public instruction.

1 All such moneys shall be expended for the purpose of public
 2 school building construction or for any other purposes of
 3 public schools and public education as permitted under the
 4 laws of the state of Montana and as authorized by the grants
 5 from the federal government.
 6 ~~(2)(b)~~ The governor and superintendent of public
 7 instruction are further authorized on behalf of the state of
 8 Montana to accept moneys provided from federal sources for
 9 the express purpose of distribution to nonpublic education.
 10 Such moneys shall be deposited by the governor and
 11 superintendent of public instruction in the state treasury
 12 and are appropriated and made available to the
 13 superintendent of public instruction. All such moneys shall
 14 be distributed in the manner provided by the laws of the
 15 state of Montana and as authorized or expressed by grants
 16 from the federal government.

17 ~~(3)(c)~~ All expenditures of moneys from federal sources
 18 under this ~~section~~ subsection (1) shall be made under the
 19 supervision and in the discretion of the superintendent of
 20 public instruction. Any balance in the account in which such
 21 moneys are maintained shall not lapse at any time but shall
 22 be continuously available to the superintendent of public
 23 instruction for expenditures consistent with this title and
 24 acts of the federal government.

25 (2) (a) The governor and the board of regents are

1 authorized on behalf of the state of Montana to request and
 2 accept such moneys as are now or will be made available
 3 under any act of congress of the United States or otherwise
 4 for purposes of vocational-technical education building
 5 construction or for any other purposes of
 6 vocational-technical education as permitted under the laws
 7 of the state of Montana and as authorized by the grants from
 8 the federal government. Such moneys shall be deposited by
 9 the governor and the board of regents in the state treasury
 10 and are appropriated and made available to the board of
 11 regents. All such moneys shall be expended for the purpose
 12 of vocational-technical education building construction or
 13 for any other purposes of vocational-technical education as
 14 permitted under the laws of the state of Montana and as
 15 authorized by the grants from the federal government.

16 (b) The governor and the board of regents are further
 17 authorized on behalf of the state of Montana to accept
 18 moneys provided from federal sources for the express purpose
 19 of distribution to nonpublic vocational-technical education.
 20 Such moneys shall be deposited by the governor and the board
 21 of regents in the state treasury and are appropriated and
 22 made available to the board of regents. All such moneys
 23 shall be distributed in the manner provided by the laws of
 24 the state of Montana and as authorized or expressed by
 25 grants from the federal government.

1 (c) All expenditures of moneys from federal sources
 2 under this subsection (2) shall be made under the
 3 supervision and in the discretion of the board of regents.
 4 Any balance in the account in which such moneys are
 5 maintained shall not lapse at any time but shall be
 6 continuously available to the board of regents for
 7 expenditures consistent with this title and acts of the
 8 federal government."

9 Section 26. Section 39-71-118, MCA, is amended to
 10 read:

11 "39-71-118. Employee, worker, and workman defined. (1)
 12 The terms "employee", "workman", or "worker" mean:

13 (a) each person in this state, including a contractor
 14 other than an independent contractor, who is in the service
 15 of an employer, as defined by 39-71-117, under any
 16 appointment or contract of hire, expressed or implied, oral
 17 or written. The terms include aliens and minors, whether
 18 lawfully or unlawfully employed, and all of the elected and
 19 appointed paid public officers and officers and members of
 20 boards of directors of quasi-public or private corporations
 21 while rendering actual service for such corporations for
 22 pay. Casual employees as defined by 39-71-116(3) are
 23 included as employees if they are not otherwise covered by
 24 workers' compensation and if an employer has elected to be
 25 bound by the provisions of the compensation law for these

1 casual employments, as provided in 39-71-401(2). Household
2 or domestic service is excluded.

3 (b) a recipient of general relief who is performing
4 work for a county of this state under the provisions of
5 53-3-303 through 53-3-305 and any juvenile performing work
6 under authorization of a district court judge in a
7 delinquency prevention or rehabilitation program;

8 (c) a person receiving on-the-job vocational
9 rehabilitation training or other on-the-job training under a
10 state or federal vocational training program, whether or not
11 under an appointment or contract of hire with an employer as
12 defined in this chapter and whether or not receiving payment
13 from a third party. However, this subsection does not apply
14 to students enrolled in vocational training programs as
15 outlined above while they are on the premises of a public
16 school or community college.

17 (d) students enrolled and in attendance in programs of
18 vocational-technical education **approved-by-the-state-board**
19 **of---public---education** at designated **postsecondary**
20 vocational-technical centers; or

21 (e) an airman or other person employed as a volunteer
22 under 67-2-105.

23 (2) If the employer is a partnership or sole
24 proprietorship, such employer may elect to include as an
25 employee within the provisions of this chapter any member of

1 such partnership or the owner of the sole proprietorship
2 devoting full time to the partnership or proprietorship
3 business. In the event of such election, the employer must
4 serve upon the employer's insurer written notice naming the
5 partners or sole proprietor to be covered, and no partner or
6 sole proprietor shall be deemed an employee within this
7 chapter until such notice has been given. For premium
8 ratemaking and for the determination of weekly wage for
9 weekly compensation benefits, the insurance carrier shall
10 assume a salary or wage of such electing employee to be not
11 less than \$900 a month and not more than 1 1/2 times the
12 average weekly wage as defined in this chapter."

13 Section 27. Section 90-6-211, MCA, is amended to read:
14 "90-6-211. Disposition of interest from unexpended
15 balance. The unexpended balance in the local impact and
16 education trust fund account shall be invested as provided
17 by statute by the board of investments. Of the income from
18 such investments each year 10% shall be paid into the state
19 special revenue fund for use by the superintendent of public
20 instruction for purposes of ~~the---~~**postsecondary**
21 **vocational-technical---centers---and** adult basic education
22 programs in the state;**subject-to-the-budgeting-authority-of**
23 **the--legislature** and for use by the board of regents for
24 vocational-technical center education programs in the state,
25 as provided in the biennium budget passed by the

1 legislature. Within the account under 20-9-513, the revenue
 2 is shared between the postsecondary vocational-technical
 3 centers and the adult basic education programs as provided
 4 in the biennium budget passed by the legislature. Of the
 5 remaining 90% of the income from such investments,
 6 three-fourths shall be annually paid into the state special
 7 revenue fund for state equalization aid to public schools of
 8 the state and one-fourth each year shall be paid to the
 9 board of regents of higher education for use by the
 10 institutions of higher learning in the state, subject to the
 11 budgeting authority of the legislature. Except as provided
 12 in 90-6-205(5), the principal of the local impact and
 13 education trust fund shall be dedicated to education and
 14 forever remain inviolate and sacred to this purpose as
 15 provided in sections 3 and 10 of Article X of the Montana
 16 constitution."

17 NEW SECTION. Section 28. Repealer. Sections 20-7-323,
 18 20-7-326, 20-9-404, and 20-9-405, MCA, are repealed.

19 NEW SECTION. Section 29. Extension of authority. Any
 20 existing authority of the superintendent of public
 21 instruction to make rules on the subject of the provisions
 22 of this act is extended to the provisions of this act.

23 NEW SECTION. Section 30. Codification instruction.
 24 Sections 1 through 5 are intended to be codified as an
 25 integral part of Title 20, chapter 7, part 3, and the

1 provisions of Title 20 apply to sections 1 through 5.
 2 NEW SECTION. Section 31. Code commissioner name
 3 change. In all sections of the Montana Code Annotated not
 4 contained in this act and in all provisions passed by the
 5 50th legislature wherein reference is made to a
 6 postsecondary vocational-technical center, the code
 7 commissioner shall change the reference to
 8 vocational-technical center.
 9 NEW SECTION. Section 32. Effective date. This act is
 10 effective July 1, 1987.

-End-

APPENDIX B

Subcommittee Minority Report

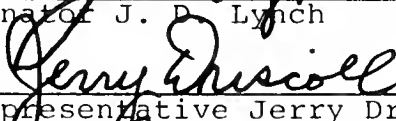
Three members of the Subcommittee, Senator J. D. Lynch and Representatives Jerry Driscoll and Dan Harrington, submitted a minority opinion on the provisions of the recommended legislation, LC 164, that concern the status of vo-tech employees under the suggested governance transfer. The minority opinion holds that the vo-tech employees who are covered by a collectively bargained contract should remain employees of the local school districts that now share governance of the centers. The minority report supports the following amendment to LC 164:

1. Page 5, line 10.
Strike: Section 5
2. Page 27, line 24.
Insert: (2) Subject to the requirements of laws of the state and the policies and rules of the board of regents, the board of trustees of the local school district in which a vocational-technical center is located shall employ all administrative personnel, faculty members, and employees for the vocational-technical center that are covered by a collectively bargained contract, according to the policies and procedures of the board of trustees.

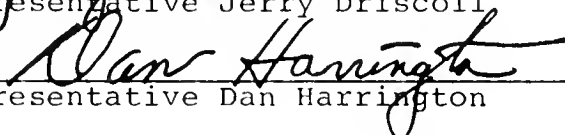
Signed,



Senator J. D. Lynch



Representative Jerry Driscoll



Representative Dan Harrington



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